PHILIP MORRIS INTERNATIONAL

DEMONSTRATION OF CARBON NEUTRALITY
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PHILIP MORRIS INTERNATIONAL

DECLARATION OF CARBON NEUTRALITY

MARKET ENTITIES CLUSTER 1

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0 Carbon neutrality declaration

The **Qualifying Explanatory Statement** (QES) contains all the required information on the carbon neutrality of the given subject. All information provided within this report has been reviewed by a third party (SGS) and is believed to be correct. If provided with any information affecting the validity of the following statements, this document will be updated accordingly to reflect the affiliate(s) current status towards carbon neutrality.

This is the first declaration of achievement of carbon neutrality for the following list of markets that will be collectively refered to as “Markets Cluster 1” in this document:

Country	Legal Entity(ies)
Australia	Philip Morris (Australia) Limited
Costa Rica	Philip Morris Costa Rica S.A
Denmark[2]	Philip Morris ApS
Finland[2]	Philip Morris Finland Oy
Greece[1]	Philip Morris Greece – Papastratos Cigarette Manufacturing Company Single Member, S.A.
New Zealand	Philip Morris (New Zealand) Limited
Norway[2]	Philip Morris Norway AS
Portugal[1]	Philip Morris Portugal – Tabaqueira II, SA
Sweden[2]	Philip Morris Aktiebolag
Turkey[1]	Philip Morris Pazarlama ve Satış A.Ş (Türkiye) and Philip Morris Seyahat ve Perakende Satış A.Ş (Türkiye)

Table 0.1 - Cluster 1 Markets List

[1] excluding manufacturing operations related emissions

[2] excluding Swedish Match related emissions

The scope of this carbon neutrality declaration is the Scope 1 and 2 emissions under the direct operational control of above legal entities including their office, warehouse, fleet and retail operations achieved in accordance with PAS2060:2014 for the period 1 January 2022 to 31 December 2022 with a commitment to maintain to 31 December 2025.

Certification letter from SGS can be found in Annex A.

1 Introduction

This document forms the Qualifying Explanatory Statement (QES) to demonstrate that Philip Morris International "Markets Cluster 1" has achieved **carbon neutrality** for the period starting 1st January 2022 and ending 31st December 2022 in accordance with PAS 2060:2014.

This has been achieved through:

- **Continuous carbon emissions reduction** through action plans under PMI direct controls: office, warehouse, fleet and retail operations under affiliates' control. These reductions have been captured as part of the GHG inventory for 2022.
- **Compensation of remaining carbon emissions** for the period commencing 1st January 2022 and ending 31st December 2022.

This report includes the information which substantiates the declaration of PMI affiliate's achievement of carbon neutrality for this application period (under PAS 2060:2014) and commitment on carbon neutrality up to 2025 (3 years, from 2022 the reference year) in compliance with PAS 2060:2014 standard.

The Markets Cluster 1 affiliates have also set up a Carbon Management Plans to reduce the GHG emissions associated to the office, warehouse, fleet and retail operations to demonstrate commitment to being carbon neutral in accordance with PAS2060:2014 standard.

1.1. General information

PAS 2060 Information requirement	Information as it relates to PMI affiliates
Entities making PAS 2060 declarations	Markets Cluster 1, as per *Table 0.1 - Cluster 1 Markets List*.
Individual responsible for the evaluation and provision of the data necessary for the substantiation of the declaration (inc. preparing, substantiating, communicating and maintaining the declaration)	Len Beggs For country specific individuals refer: Annex G – Markets Cluster 1 Responsible Individuals
Subject of PAS 2060 declaration	Scope 1 and 2 emissions under the direct operational control of Markets Cluster 1, as per *Table 1.2 - Cluster 1 Markets List*, from offices, warehouse, fleet and retail operations (full list available in Annex C).
Function of subject	Sales and distribution of products for PMI and its brands.
Activities required for subjects to fulfil its function	The activities required within the office, warehouse, fleet and retail operations are: • Sales • Distribution • Marketing • Administration • Facility management
Rationale for selection of the subjects	PMI's ambition is to be carbon neutral for all of its direct operations (full scope 1 and 2) by 2025. In this journey, all subjects (factories, offices, warehouses, fleet, retail) that have reached substantial emission reduction in the past years qualify to compensate residual emissions and become carbon neutral.
Type of conformity assessment undertaken	I3P-3 Independent third-party certification - unified
Reference date for PAS 2060 program	1st of January 2022
Achievement period	1st of January 2022 – 31st of December 2022
Commitment period	1st of January 2022 – 31st of December 2025

Table 1.1 - General information

1.2. Scope

The subject for carbon neutrality is the entities grouped in Markets Cluster 1.

The main business activities of these entities is the distribution, sales and marketing of PMI brands.

During the reporting period, the definition of the subject(s) remained unchanged. In the case that material change occurs to the subject(s) in the future, the process of determination and substantiation of the subject(s) and associated GHG emissions shall be re-started on the basis of newly defined subject(s).

1.3. Boundaries of the subject

The system boundaries considered for the organizational carbon footprint of the subject are the activities occurring within the physical perimeter of the entities and under the entities' control (excluding manufacturing and Swedish Match) including:

- Offices
- Warehouses
- Fleet
- Retail stores

GHG emissions associated with entities in Markets Cluster 1 office, warehouse, fleet and retail operations within the defined boundary for the period of 1st January 2022 to 31st December 2022 have been quantified in accordance with GHG Protocol Corporate Accounting Standard (operational control) and verified by SGS.

SGS then certifies that the Carbon Neutral Declaration set out in this QES is appropriately reported in accordance with the requirement of PAS 2060:2014.

The assurance letter issued by SGS can be found in Annex A.

2 Quantification of carbon footprint

2.1 Emissions results

The total GHG emissions related to scope 1 and 2 refer to office, warehouse, fleet and retail operations during the year 2022 (application period) and represent a total **5979.13 tons of CO_2 equivalent**.

Country	Legal Entity	Scope 1	Scope 2 (market-based)	Total Scope 1 and 2 (market-based)
		[tCO_2e]	[tCO_2e]	[tCO_2e]
Australia	Philip Morris (Australia) Limited	351.64	281.31	632.95
Cost Rica	Philip Morris Costa Rica S.A.	476.36	0.86	477.23
Denmark	Philip Morris ApS	192.30	9.90	202.19
Finland	Philip Morris Finland Oy	44.91	0.00	44.91
Greece	Papastratos Cigarette Manufacturing Company Single Member, S.A.	414.07	0.00	414.07
New Zealand	Philip Morris (New Zealand) Limited	128.15	0.00	128.15
Norway	Philip Morris Norway AS	21.96	5.78	27.74
Portugal	Philip Morris Portugal - Tabaqueira II, SA	1586.02	10.20	1596.22
Sweden	Philip Morris Aktiebolag	308.17	28.14	336.31
Turkey	Philip Morris Pazarlama ve Satış A.Ş (Türkiye)	1752.76	302.24	2055.00
	Philip Morris Seyahat ve Perakende Satış A.Ş (Türkiye)	53.82	10.55	64.37
Total		5330.15	648.98	5979.13
% of Total		89.1	10.9	100.0

Table 2.1 - GHG emissions overall results

2.2 Methodology

Total GHG emissions associated with entities in Markets Cluster 1, 1st January 2022 to 31st December 2022, have been quantified according to GHG Protocol, Corporate Accounting and Reporting Standard, following the operational control approach. This methodology was chosen as it represents best practice in terms of organization carbon footprint inventory and PAS 2060:2014 endorses it as being fully compliant with its requirements.

The types of greenhouse gases (GHG) included in the Kyoto Protocol to the United Nations Framework Convention on Climate Change are required for reporting under the GHG Protocol Corporate Standard and the below listed were covered in the calculations:

- carbon dioxide (CO2),
- methane (CH4),
- nitrous oxide (N2O).

The inventory accounts for 100% of GHG emissions of business activities and operations in which PMI affiliate(s) has direct operational control and the full authority to introduce and implement its operating policies (excluding manufacturing and Swedish Match).

All scope 1 and 2 greenhouse gas emissions relevant to the system boundary are included and quantified, in accordance with the GHG Protocol, Corporate Accounting and Reporting Standard, as confirmed by SGS verification.

Scope 1

GHG emissions related to scope 1 come from direct emissions from sources owned or controlled by entities within Markets Cluster 1. In PMI context, scope 1 emissions are:

- Stationary combustion:
  - Natural gas
  - LPG, propane and butane
  - Diesel – (fuel oil)
  - Heavy fuel oil
  - Petrol
  - Biomass
- Mobile combustion
  - Petrol
  - Diesel
  - Biodiesel
  - Bioethanol
  - Natural gas (compressed)

Scope 2

GHG emissions related to scope 2 come from indirect emissions from the generation of purchased electricity, steam, heat and cooling consumed by the entities in Markets Cluster 1. In PMI context, scope 2 emissions are from the consumption of:

- Purchased electricity
- District steam
- District heating (inc. cooling)

Scope 3

GHG emissions related to scope 3 refer to all other indirect emissions as a consequence of the activities of the entities with Markets Cluster 1 that occur from sources not owned or controlled by these entities are out of scope.

2.3 Data sources

Primary and secondary data has been used for the Carbon Quantification process. Primary data is used where possible, only where primary data was not available, secondary data is used to quantify emissions. Mainly primary data is used for scope 1 and 2.

While scope 2 emissions for some PMI sites may be estimated, wherever possible emissions are reported based on direct utilities consumption – invoice data. The consumption is then multiplied using the relevant IEA coefficient to determine the emissions for that energy source.

Fuel consumption data for fleet vehicles are reported based on direct consumption. The total fuel consumption is then multiplied using relevant DEFRA coefficients to determine the emissions.

Data sources (e.g., invoices) were reviewed by SGS through the inventory verification, and certification against PAS 2060:2014 processes.

2.4 Assumptions and estimations

All assumptions made to quantify the greenhouse gas emission of PMI affiliates were reviewed by SGS through the GHG inventory verification process.

Country	Assumptions
Australia	Assumptions were made for the Adelaide office, apart from Q4. Due to internal reporting timelines, Q4 data was reported prior to actuals being available – i.e., Q4 data for the current reporting year was estimated based on previous year Q4 data and adjusted with proportional increase/decrease from Q1-Q3 actual data (difference from current vs. previous year).
Cost Rica	Estimations were made for smaller offices and warehouses in Costa Rica.
Denmark	No assumptions were made
Finland	No assumptions were made
Greece	No assumptions were made
New Zealand	No assumptions were made
Norway	No assumptions were made
Portugal	With respect to the retail spaces, the Portugal market captured consumption for 10 of their 25 sites. The average consumption, per square meter, was applied to remaining sites.
Sweden	No assumptions were made
Turkey	No assumptions were made

Table 2.2 - Estimations and Assumptions

2.5 Exclusions

Annex C outlines all the inclusions and exclusions for GHG emissions; to ensure the coverage of any potential exclusions within the system boundary an additional 3% has been added to affiliates' total carbon footprint to ensure the carbon neutrality program covers 100% of the GHG emissions.

2.6 Uncertainties

Generally, the use of secondary data throughout the assessment represents the major source of uncertainties on results. Actions taken to minimize these uncertainties are described below and were reviewed by SGS.

- Secondary emissions factors: uncertainty associated to the use of secondary emission factors is because they represent averages, rather than specific emissions. However, their use was appropriate, and care has been taken to use the best available datasets (DEFRA and IEA).
- Primary activity data has been used where practical for fleet and office emissions.

Result of the uncertainty calculation is reported in Annex D.

2.7 Comparison with baseline period results

This section will be completed in subsequent years. 2022 is the first PAS 2060:2014 certification year, and therefore will be used as baseline period subsequently.

3 Carbon Management Plan

The carbon reduction management plan considers a 4-year period (2022-2025) with the aim of reducing emissions and/or emissions intensity.

This target will be monitored periodically (minimum annually) to check if the expected outcomes are aligned to the actual results. To achieve the target a series of projects will be implemented.

The following paragraphs explain in detail projects implemented in entities in Markets Cluster 1, that relate related to office, warehouse, fleet and retail operations GHG emissions reductions.

3.1 PMI global best practice

In 2021 82% of the electricity purchased came from renewable sources. Since 2017, we are gradually increasing the uptake of green electricity (as showed in below table) with the aim to reach 100% green electricity purchased for all our affiliates by 2025. By investing in renewable energy electricity, PMI overall avoided the emissions of **over 1.3 million tonnes of CO_2 equivalent between 2017 and 2021**.

Indicator	2017	2018	2019	2020	2021	Total Value
Total electricity purchased from renewable sources [kWh]	442,738,547	544,844,559	616,336,304	612,693,557	663,106,175	2,216,612,967
CO2 Scope 2 (GHG emissions) - Market based [t GHG]	241,355	175,785	158,672	90,366	64,217	730,396
CO2 Scope 2 (GHG emissions) - Location based [t GHG]	438,896	422,337	447,322	383,895	361,314	2,053,764
Cumulative difference between location based and market based	**197,540**	**246,552**	**288,650**	**293,530**	**297,097**	**1,323,369**

Table 3.1 - Avoided CO2 emissions due to green electricity increase

3.2 Implemented GHG emissions reduction project repository in Markets Cluster 1

At PMI, emissions reduction project governance and budget approval come from two distinctive main streams; one driven from central functions and another by the local team. Table 3.2 shows projects implemented or under implementation in the last few years, evaluated in 2022 carbon footprint assessment.

Country(ies)	Initiative name	Description	Year	Type of energy used	Emission reduction [kg CO_2 eq]
Australia and New Zealand	Shift vehicles from internal combustion engines to hybrid.	Commenced around 2021 in AU moving to hybrid engine types has allowed us to achieve around a 30 % reduction in our CO2 / km. NZ moved in the same direction later in 2022.	2021 (implemented)	Petrol	181,400
	New Zealand Office renewable electricity	The New Zealand office has been using renewable electricity (Mercury Energy) for some time. Electricity is also their only source of office energy.	Ongoing	Electricity	Difficult to quantify, as electricity mix of previous electricity tariff is unknown
	Driver e-learning program	Drivers in AU and NZ have been undergoing driver training which is expected to make them more anticipatory drivers, thereby reducing fuel emissions. Most drivers were in wave 1 which ran from 2021 to 2022.	Wave 1 commenced: 2021	Petrol	Difficult to quantify, but still a good initiative for efficiency and safety.
Costa Rica	Lower emission vehicles	Purchase of lower-emission internal combustion vehicles	2022	Petrol/Diesel	3,751
	Fleet reduction	Reduction of benefit car fleet	2022	Petrol	8,912
	New hires training	Efficient driving training	2022	Petrol/ Diesel	Not quantifiable
	Smartwork	Hybrid working model	2022	Electricity	Not quantifiable
Denmark, Finland,	Alternate drive trains	Replacement of petrol and diesel vehicles by HEV/PHEV/BEV.	2022	Petrol and diesel	65,473

Norway, Sweden	Driver e-learning program	Drivers in the markets in scope have been undergoing driver training, which is expected to improve anticipatory driving, thereby reducing fuel emissions.	Wave 1 & 2: 2021 - 2023	Petrol and diesel	Difficult to quantify, but still a good initiative for efficiency and safety.
	Renewable electricity	Renewable electricity implemented in Finland and Sweden			Difficult to quantify, as electricity mix of previous electricity tariff is unknown
Greece	Transition to alternate drive train	Fleet moved to hybrid vehicles	2021 v 2022	petrol and diesel	11% intensity reduction (50.3 t CO_2eq)
	Driver training	Fleet driver e-learning program			
Portugal	Renewable electricity	Due to Portuguese legislation requirements, all offices procure 100% renewable electricity since 2019.	Since 2019	Electricity	Market-based emissions are 0.
	IQOS Stores with efficient lightening	Efficient lighting (LED) was installed in all IQOS stores.	Since 2019	Electricity	Not estimated
	Switch to hybrid vehicles	Replacement of internal combustion engines vehicles with hybrid and hybrid plug-in vehicles (2020-2025).	Since 2019	Petrol and diesel	CO2eq-Intensity was reduced: 2021 - 178 g CO2eq / km 2022 - 150 g CO2eq / km
Turkey	Office heating & cooling optimization project	Office heating & cooling system has been upgraded.	2022	Electricity	2,500
	Motion sensor in common usage areas (WC, cafeteria etc.)	Motion sensor implementation in common usage area for energy saving.	2022	Electricity	1,000
	Telematics implementation	To increase safe and eco driving awareness and make safe and eco driving a habit, telematic	2022	Petrol and diesel	4,000

		solutions have been implemented.			
	Hybrid car transformation	In-line with PMI-42 and Sustainable Fleet Vision, hybrid car transformation project has been completed. 112 vehicles were switched to hybrid vehicles.	2022	Petrol and diesel	217,000

Table 3.2 - Implemented GHG emissions reduction projects

3.3 Planned GHG emissions reduction initiatives in Markets Cluster 1

In order to achieve the above-mentioned target, PMI is committed to identifying and implementing carbon saving projects until 31/12/2025. Table 3.3 shows main initiatives identified and estimated reduction for the whole commitment period (2022-2025).

Country(ies)	Scope	Project Name	Planned implementation timing		Expected annual emission reduction
			Strat Date	Finish Date	[kg CO_2 eq]
Australia	Office (Scope 2)	Renewable Electricity (small meters)	Q3 2023	Q4 2023	281,312
	Office (Scope 2)	Renewable Electricity (large meters)	Q3 2023	Q1 2024	
	Fleet (Scope 1)	Switch from ICE to hybrid vehicles	1/01/2023	31/12/2023	6,329
New Zealand	Fleet (Scope 1)	Switch from ICE to hybrid vehicles	1/01/2023	31/12/2023	1,478
Costa Rica	Office	Facilities energy efficiency improvements	TBD	TBD	TBD
	Fleet	Switch to Electrical vehicles	04/30/2023	09/30/2023	4,700
	Fleet	Telematics implementation	07/01/2023	11/01/2023	TBD
	Office	Energy awareness campaign	02/01/2024	06/01/2024	Not quantifiable
Denmark, Finland, Norway, Sweden	Alternate drive trains	Replacement of petrol and diesel vehicles by HEV/PHEV/BEV.	2023/4	Petrol and diesel	126,150
	Telematics	Implementation of Telematics to reduce fuel consumption	2024	Petrol and diesel	Impact to be determined

	Renewable electricity	Denmark and Norway	2025	Electricity	1711.07
	Driver e-learning program	Drivers in the markets in scope have been undergoing driver training, which is expected to improve anticipatory driving, thereby reducing fuel emissions.	Wave 3 2023 - 2024	Petrol and diesel	Difficult to quantify, but still a good initiative for efficiency and safety.
Greece	Transition to alternate drive train	Complete fleet move to hybrid vehicles	2023	Petrol and diesel	11.5tCO_2eq
	Driver training	Fleet driver e-learning program	2023	Petrol and diesel	Difficult to quantify, but still a good initiative for efficiency and safety.
	Telematics	Technology to help improve driver eco and safe driving	2024	Petrol and diesel	Difficult to quantify, but still a good initiative for efficiency and safety. Expect around 5%
Portugal	Car fleet	Replacement of internal combustion engines vehicles to hybrid and hybrid plug-in and electrical vehicles (2020-2025)	2023-2025	Petrol and diesel	19,467
	Fleet programs	Implementation of fleet program Telematics and e-learning (Fleet Defense training for all drivers)	2023-2024	Petrol and diesel	Difficult to quantify, but still a good initiative for efficiency and safety.
Turkey	Fleet	Employee awareness eco-driving & practical commentary drive training	01-Oct-23	31-Dec-23	3,360

	Fleet	3 new hybrid vehicle transformation for our fleet (WT)	Mar-23	Dec-23	5,620
	Fleet	3 new electrical vehicle transformation for our fleet (LAMP)	Mar-23	Dec-23	4,000
	Office	Energy reduction awareness communication	Sep-23	Dec-23	2,500
	Office	Improve air condition efficiency (New VRV Installation)	June-23	Dec-23	2,500
	Office	Office lighting efficiency (LED)	Jan-24	Dec-24	2,000

Table 3.3 - Planned GHG emissions reduction initiatives

Actual emissions reductions will be measured in terms of absolute emissions compared year on year.

4 Carbon offset program

4.1 Offset program for the first application period

PMI has an offsetting program in place to support the carbon neutrality, based on quality criteria aligned with the most rigorous international standards and targeting social and economic benefits.
Carbon neutrality is achieved by reducing and compensating Greenhouse Gases (GHG) emissions through supporting the development of sustainable climate solutions in developing countries. Compensation projects bring social, environmental and economic benefits, which contribute to United Nations Sustainable Development Goals (SDGs) and are labelled by independent carbon standards such as the VERRA Standard (VCS)[1] , Climate Community and Biodiversity Alliance (CCBA)[2], Gold Standard[3], and other offsets as endorsed in PAS2060.

Credits were retired on 21 December 2023 and 17 January 2024.

These projects are supported by publicly available project documentation on the GSF Registry (goldstandard.org)[4]) and on https://registry.verra.org/. The registry system is the central storehouse of data on all registered projects, and tracks the generation, retirement and cancellation of all credits. To register with the program, projects must show that they have met all standards and methodological requirements.

4.2 Offsetting project(s)

Offsetting projects selected by Markets Cluster 1 for compensating the 2022 emissions are:

[1] https://verra.org/

[2] http://www.climate-standards.org/

[3] https://www.goldstandard.org/

[4] https://registry.goldstandard.org/projects?q=&page=1

Project Name	Description of Project	Carbon Credits Allocation		Official Project Link
		tons	%	
Manoa – VCS 1571	Manoa REDD+ Project is a partnership between Biofílica and Grupo Triângulo, located at Manoa Farm, city of Cujubim, state of Rondônia (Brazil), in an area of 74,038.7 hectares. The farm's 73,000 hectares of forest demonstrates the pioneering in sustainable forest management, and are one of the few forest areas remaining in private area in the region, constantly threatened by invasions and timber theft. Manoa is of paramount importance in the landscape connectivity, as it is close to conservation units and provides shelter for several species. Benefits to Climate: Avoid the emission of 279,290 tons of CO2e per year or 8,378,697 tons of CO2e along 30 years of project. This corresponds to 22,118 hectares of avoided deforestation.	5540	88.3	https://registry.verra.org/app/projectDetail/VCS/1571
Rimba Raya – VCS 674	The Rimba Raya Biodiversity Reserve Project, an initiative by InfiniteEARTH, aims to reduce Indonesia's emissions by preserving some 64,000 hectares of tropical peat swamp forest. This area, rich in biodiversity including the endangered Bornean orangutan, was slated by the Provincial government to be converted into four palm oil estates. Located on the southern coast of Borneo in the province of Central Kalimantan, the project is also designed to protect the integrity of the adjacent world-renowned Tanjung Puting National Park, by creating a physical buffer zone on the full extent of the ~90km eastern border of the park.	148	2.4	https://registry.verra.org/app/projectDetail/VCS/674

WWF Ningshan County High Efficient Cook Stove Project GS2429	Project is engaged in reducing the non-renewable biomass for household by improve the efficiency of the cook stove with the type of improved distributed heating and cooking devices.	574	9.3	https://registry.goldstandard.org/projects/details/344
TOTAL		**6162**	**100**	

Table 4.1 - Offsetting Projects

Offsetting projects selected by Markets Cluster 1 for compensating the 2022 emissions are:

Country	Legal Entity	Project chosen for compensation			Final requested offset value [tCO2]
		Manoa	Cookstoves	Rimba Raya	
Australia	PHILIP MORRIS (AUSTRALIA) LIMITED	504		148	**652**
Costa Rica	PHILIP MORRIS COSTA RICA, SOCIEDAD ANONIMA		492		**492**
Denmark	PHILIP MORRIS ApS	127	82		**209**
Finland	Philip Morris Finland Oy	47			**47**
Greece	PAPASTRATOS CIGARETTE MANUFACTURING COMPANY SINGLE MEMBER S.A	427			**427**
New Zealand	PHILIP MORRIS (NEW ZEALAND) LIMITED	132			**132**
Norway	PHILIP MORRIS NORWAY AS	29			**29**
Portugal	Philip Morris Portugal – Tabaqueira II, SA	1644			**1,644**
Sweden	PHILIP MORRIS Aktiebolag	347			**347**
Turkey	Philip Morris Pazarlama ve Satış A.Ş (Türkiye)	2117			**2,117**
Turkey	Philip Morris Seyahat ve Perakende Satış A.Ş (Türkiye)	66			**66**
Total		**5440**	**574**	**148**	**6162**
% of Total		**88.3**	**9.3**	**2.4**	**100.0**

Table 4.2 - Markets Cluster 1 Offsetting Projects

4.3 Amount of credits purchased

Credits have been purchased by PMI for the period covering 1st of January 2022 – 31st December 2022.
The amount of credits purchased is **6162 tonnes of CO_2 equivalent***, it is composed by two contributions:

i. 5979.14 tonnes of CO_2 equivalent, amount evaluated for the first application period
ii. 179.38 tonnes of CO_2 equivalent, that represent the overrate of 3% of the whole carbon footprint to cover all the exclusions (Annex C) and precludes underestimation.

** Note that rounding each entity increased the total to 6162 tonnes of CO2 equivalent.*

We can reasonably assume that the emissions from Market Cluster 1 entities are covered by these credits.

Market Cluster 1 entities portfolio offsetting credits is composed as per the *Table 4.2 - Markets Cluster 1 Offsetting Projects*.

Emissions are split as per the following between the following legal entities:

Country	Legal entity	GHG scope	2022 GHG emissions [tCO_2eq]
Australia	Philip Morris (Australia) Limited	Scope 1	351.64
		Scope 2 (market-based)	281.31
		Overrate 3%	18.99
		Total emissions to be offset	**652**
Costa Rica	Philip Morris Costa Rica S.A.	Scope 1	476.36
		Scope 2 (market-based)	0.86
		Overrate 3%	14.32
		Total emissions to be offset	**492**
Denmark	Philip Morris ApS	Scope 1	192.3
		Scope 2 (market-based)	9.9
		Overrate 3%	6.07
		Total emissions to be offset	**209**
Finland	Philip Morris Finland Oy	Scope 1	44.91
		Scope 2 (market-based)	0
		Overrate 3%	1.35
		Total emissions to be offset	**47**
Greece	Papastratos Cigarette Manufacturing Company, SA	Scope 1	414.07
		Scope 2 (market-based)	0
		Overrate 3%	12.42
		Total emissions to be offset	**427**
New Zealand	Philip Morris (New Zealand) Limited	Scope 1	128.15
		Scope 2 (market-based)	0
		Overrate 3%	3.84
		Total emissions to be offset	**132**
Norway	Philip Morris Norway AS	Scope 1	21.96
		Scope 2 (market-based)	5.78
		Overrate 3%	0.83
		Total emissions to be offset	**29**

Portugal	Philip Morris Portugal – Tabaqueira II, SA	Scope 1	1586.02
		Scope 2 (market-based)	10.2
		Overrate 3%	47.89
		Total emissions to be offset	**1644**
Sweden	Philip Morris Aktiebolag	Scope 1	308.17
		Scope 2 (market-based)	28.14
		Overrate 3%	10.09
		Total emissions to be offset	**347**
Turkey	Philip Morris Pazarlama ve Satış A.Ş (Türkiye)	Scope 1	1752.76
		Scope 2 (market-based)	302.24
		Overrate 3%	61.65
		Total emissions to be offset	**2117**
Turkey	Philip Morris Seyahat ve Perakande A.Ş (Türkiye)	Scope 1	53.82
		Scope 2 (market-based)	10.55
		Overrate 3%	1.93
		Total emissions to be offset	**66**
Overall		Scope 1	5330.16
		Scope 2 (market-based)	648.98
		Overrate 3%	179.38
		Total emissions to be offset	**6162***

Table 4.3 – Emissions to be offset by legal entity

* *Note that rounding each entity increased the total to 6162 tonnes of CO2 equivalent*

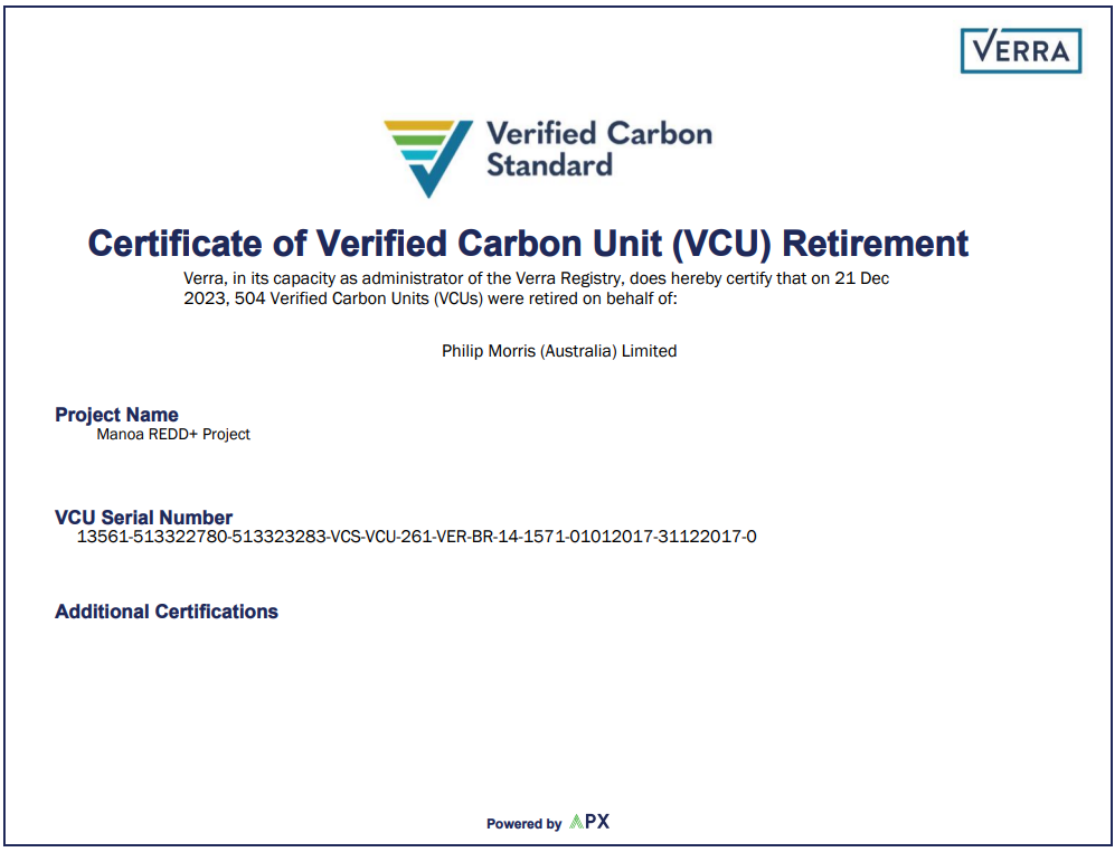
The Gold Standard and VERRA guarantee that the offsets **generated represent genuine, additional GHG** emission reductions. The projects are technically designed so as to enable the quantification of a specific number of emissions reductions/removals the carbon credits expected from each farm/forest. The Gold Standard and VERRA label also guarantee that the projects involved in delivering credits meet the criteria of additionality, permanence, leakage and double counting.

It also guarantees that the units were verified by an independent third-party and that the credits were only issued after the emission reduction has taken place.

PMI portfolio offsetting credits is composed of:

Retired on behalf of **Philip Morris (Australia) Limited** for offsetting unavoidable emissions, year 2022.

Originating project name: Manoa REDD+ Project
Quantity of retired credits: 504
Unit Type: VCU
Serial number: 13561-513322780-513323283-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0
Retirement Date: 21 December, 2023
Project ID: VCS 1571
Project type: Agriculture Forestry and Other Land Use
Country: Brazil (BR)



VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 21 Dec 2023, 504 Verified Carbon Units (VCUs) were retired on behalf of:

Philip Morris (Australia) Limited

Project Name
Manoa REDD+ Project

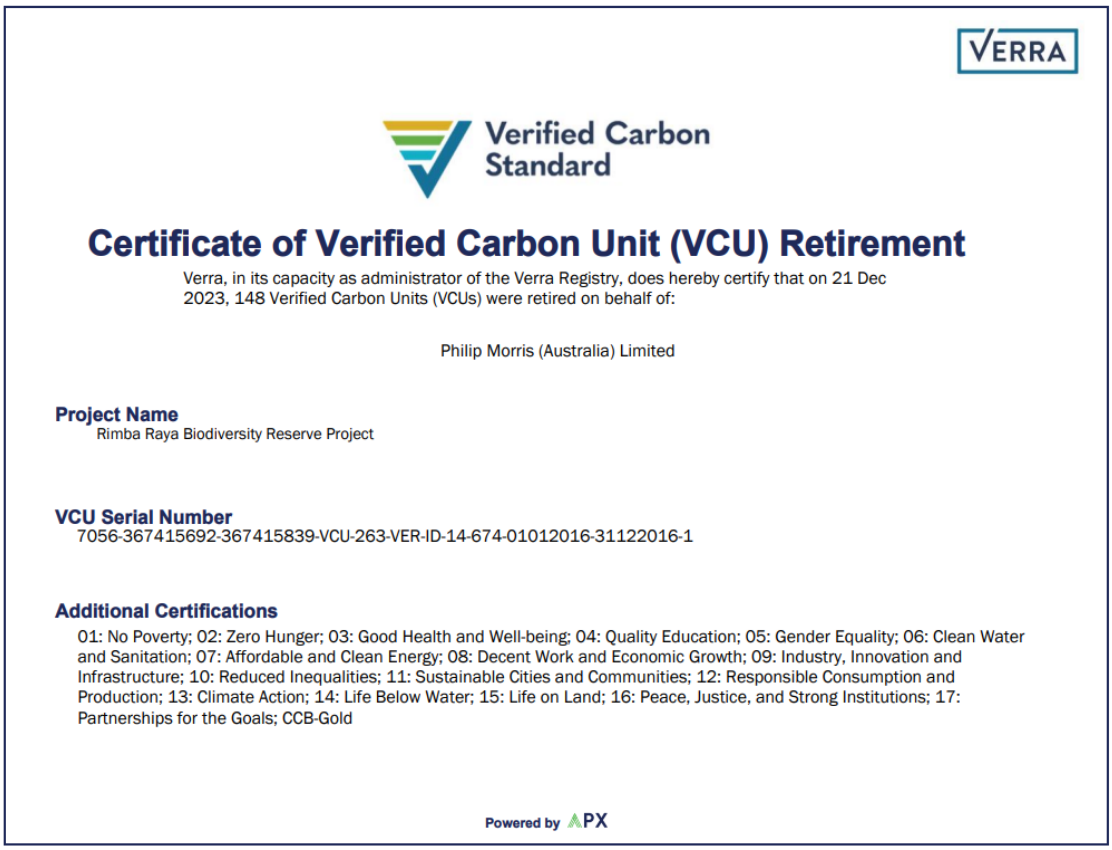
VCU Serial Number
13561-513322780-513323283-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0

Additional Certifications

Powered by APX

Retired on behalf of **Philip Morris (Australia) Limited** for offsetting unavoidable emissions, year 2022.

Originating project name: Rimba Raya Biodiversity Reserve Project
Quantity of retired credits: 148
Unit Type: VCU
Serial number: 7056-367415692-367415839-VCU-263-VER-ID-14-674-01012016-31122016-1
Retirement Date: 21 December, 2023
Project ID: VCS 674
Project type: Agriculture Forestry and Other Land Use
Country: Indonesia (ID)



VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 21 Dec 2023, 148 Verified Carbon Units (VCUs) were retired on behalf of:

Philip Morris (Australia) Limited

Project Name
Rimba Raya Biodiversity Reserve Project

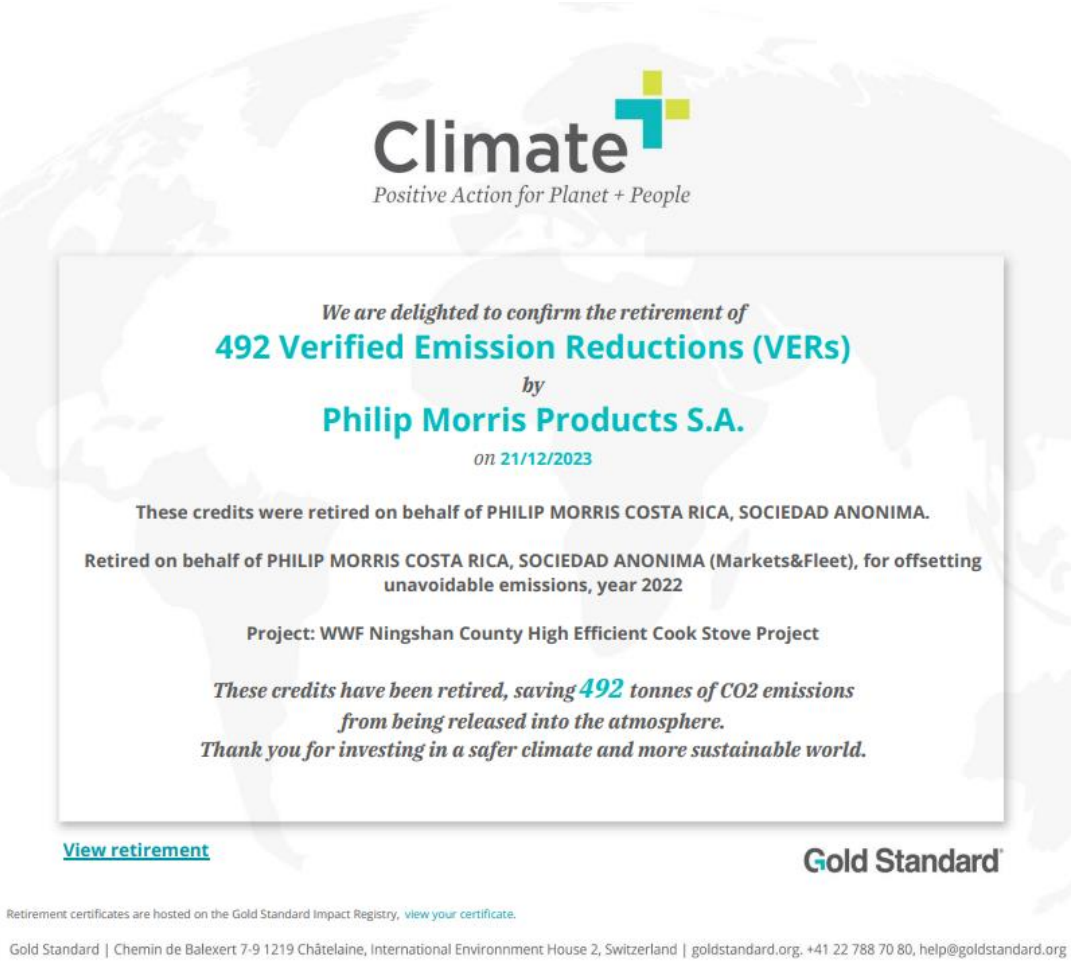
VCU Serial Number
7056-367415692-367415839-VCU-263-VER-ID-14-674-01012016-31122016-1

Additional Certifications
01: No Poverty; 02: Zero Hunger; 03: Good Health and Well-being; 04: Quality Education; 05: Gender Equality; 06: Clean Water and Sanitation; 07: Affordable and Clean Energy; 08: Decent Work and Economic Growth; 09: Industry, Innovation and Infrastructure; 10: Reduced Inequalities; 11: Sustainable Cities and Communities; 12: Responsible Consumption and Production; 13: Climate Action; 14: Life Below Water; 15: Life on Land; 16: Peace, Justice, and Strong Institutions; 17: Partnerships for the Goals; CCB-Gold

Powered by APX

Retired on behalf of **Philip Morris Costa Rica S.A.**, for offsetting unavoidable emissions, year 2022.

Originating project Name:	WWF Ningshan County High Efficient Cook Stove Project
Quantity of retired credits:	492
Unit Type:	VER
Serial number:	GS1-1-CN-GS2429-16-2016-5622-3700-4191
Retirement Date:	21 December, 2023
Project ID:	GS 2429
Project type:	Energy Efficiency - Domestic
Country:	China (CN)



Climate
Positive Action for Planet + People

We are delighted to confirm the retirement of

492 Verified Emission Reductions (VERs)

by

Philip Morris Products S.A.

on 21/12/2023

These credits were retired on behalf of PHILIP MORRIS COSTA RICA, SOCIEDAD ANONIMA.

Retired on behalf of PHILIP MORRIS COSTA RICA, SOCIEDAD ANONIMA (Markets&Fleet), for offsetting unavoidable emissions, year 2022

Project: WWF Ningshan County High Efficient Cook Stove Project

These credits have been retired, saving 492 tonnes of CO2 emissions from being released into the atmosphere.
Thank you for investing in a safer climate and more sustainable world.

View retirement

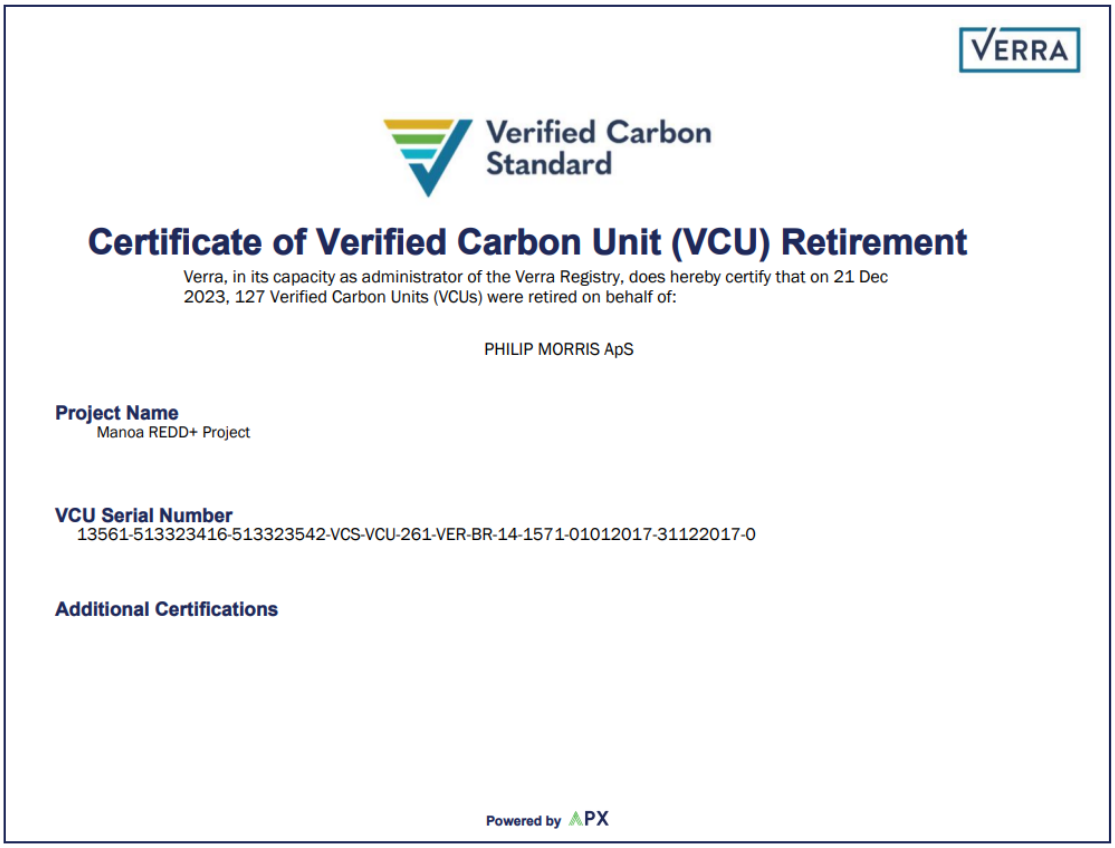
Gold Standard

Retirement certificates are hosted on the Gold Standard Impact Registry, view your certificate.

Gold Standard | Chemin de Balexert 7-9 1219 Châtelaine, International Environnment House 2, Switzerland | goldstandard.org, +41 22 788 70 80, help@goldstandard.org

Retired on behalf of **PHILIP MORRIS ApS** (Denmark), for offsetting unavoidable emissions, year 2022.

Originating project name:	Manoa REDD+ Project
Quantity of retired credits:	127
Unit Type:	VCU
Serial number:	13561-513323416-513323542-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0
Retirement Date:	21 December, 2023
Project ID:	VCS 1571
Project type:	Agriculture Forestry and Other Land Use
Country:	Brazil (BR)



VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 21 Dec 2023, 127 Verified Carbon Units (VCUs) were retired on behalf of:

PHILIP MORRIS ApS

Project Name
Manoa REDD+ Project

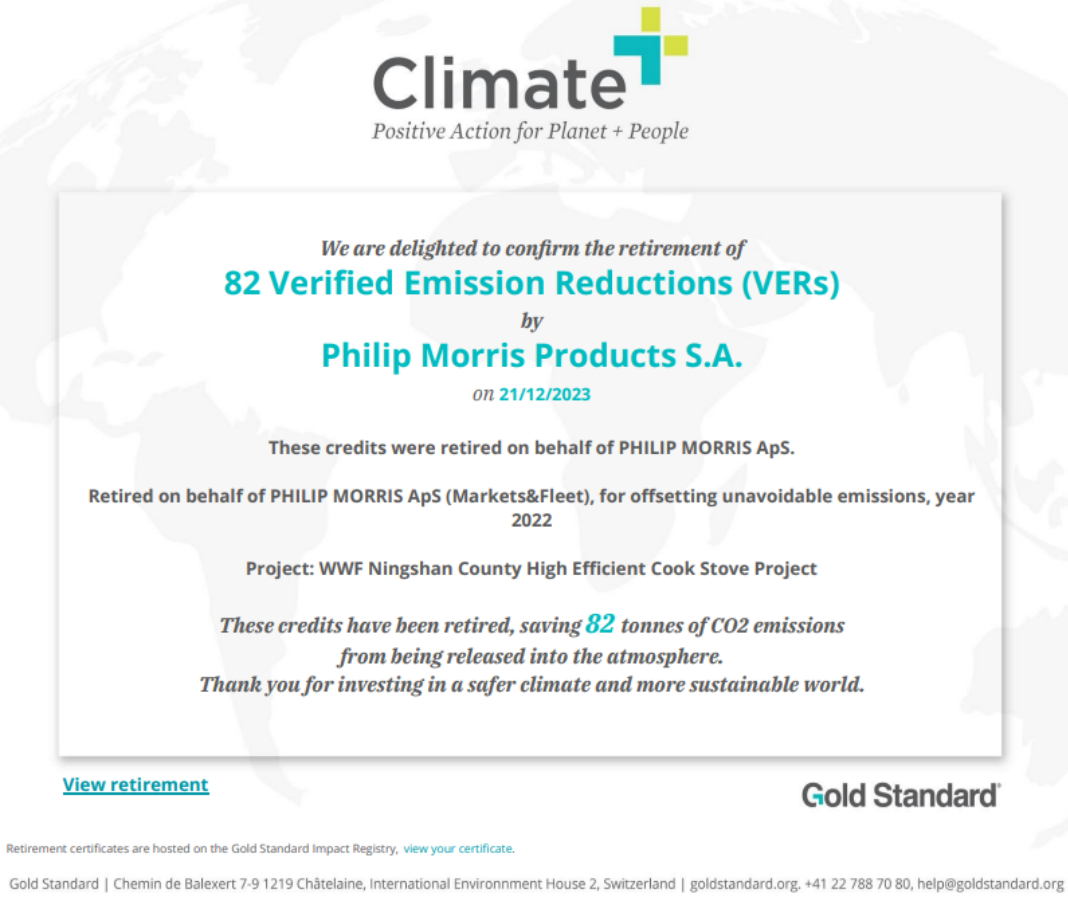
VCU Serial Number
13561-513323416-513323542-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0

Additional Certifications

Powered by APX

Retired on behalf of **PHILIP MORRIS ApS** (Denmark), for offsetting unavoidable emissions, year 2022.

Originating project Name:	WWF Ningshan County High Efficient Cook Stove Project
Quantity of retired credits:	82
Unit Type:	VER
Serial number:	GS1-1-CN-GS2429-16-2016-5622-4192-4273
Retirement Date:	21 December, 2023
Project ID:	GS 2429
Project type:	Energy Efficiency - Domestic
Country:	China (CN)



Retired on behalf of **PHILIP MORRIS FINLAND Oy**, for offsetting unavoidable emissions, year 2022.

Originating project name:	Manoa REDD+ Project
Quantity of retired credits:	47
Unit Type:	VCU
Serial number:	13561-513323543-513323589-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0
Retirement Date:	21 December, 2023
Project ID:	VCS 1571
Project type:	Agriculture Forestry and Other Land Use
Country:	Brazil (BR)

VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 21 Dec 2023, 47 Verified Carbon Units (VCUs) were retired on behalf of:

PHILIP MORRIS FINLAND Oy

Project Name
Manoa REDD+ Project

VCU Serial Number
13561-513323543-513323589-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0

Additional Certifications

Powered by APX

Retired on behalf of **Philip Morris Greece – Papastratos Cigarette Manufacturing Company, SA**, for offsetting unavoidable emissions, year 2022.

Originating project name:	Manoa REDD+ Project
Quantity of retired credits:	427
Unit Type:	VCU
Serial number:	13561-513323590-513324016-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0
Retirement Date:	21 December, 2023
Project ID:	VCS 1571
Project type:	Agriculture Forestry and Other Land Use
Country:	Brazil (BR)

VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 21 Dec 2023, 427 Verified Carbon Units (VCUs) were retired on behalf of:

PAPASTRATOS CIGARETTES MANUFACTURING COMPANY SINGLE MEMBER

Project Name
Manoa REDD+ Project

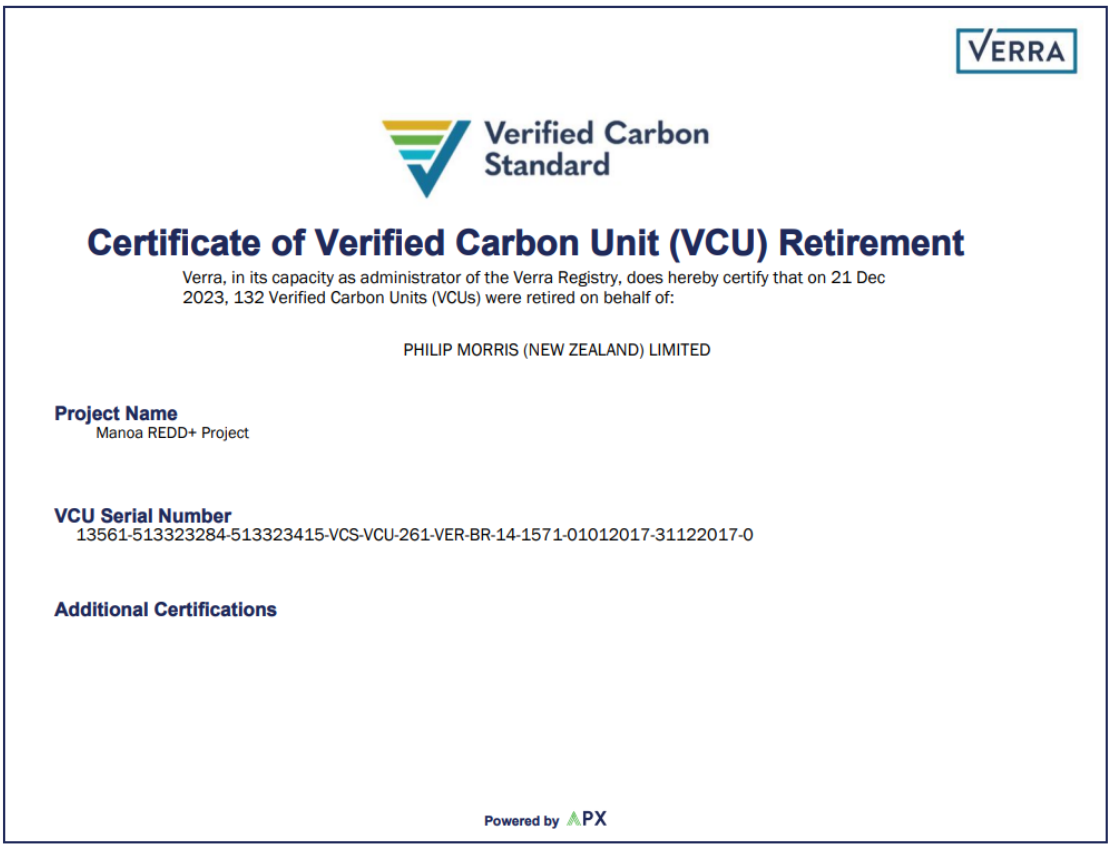
VCU Serial Number
13561-513323590-513324016-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0

Additional Certifications

Powered by APX

Retired on behalf of **Philip Morris (New Zealand) Limited**, for offsetting unavoidable emissions, year 2022.

Originating project name:	Manoa REDD+ Project
Quantity of retired credits:	132
Unit Type:	VCU
Serial number:	13561-513323284-513323415-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0
Retirement Date:	21 December, 2023
Project ID:	VCS 1571
Project type:	Agriculture Forestry and Other Land Use
Country:	Brazil (BR)



VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 21 Dec 2023, 132 Verified Carbon Units (VCUs) were retired on behalf of:

PHILIP MORRIS (NEW ZEALAND) LIMITED

Project Name
Manoa REDD+ Project

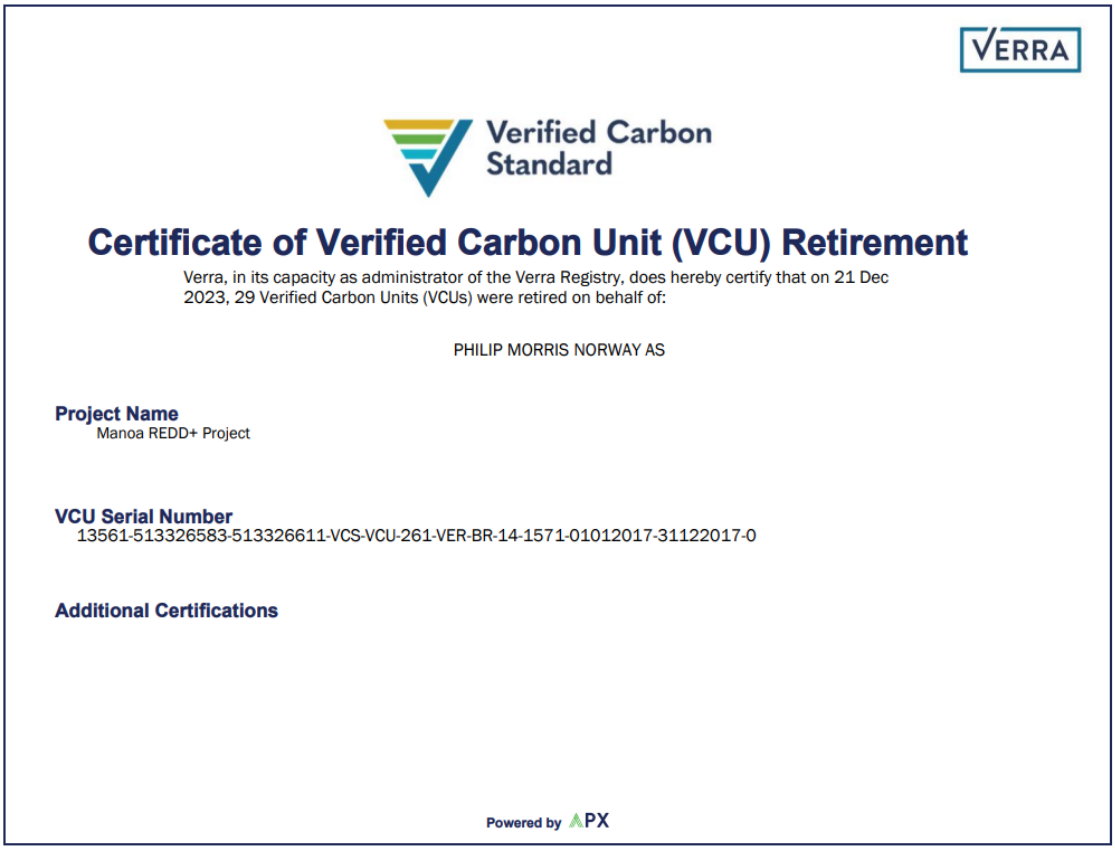
VCU Serial Number
13561-513323284-513323415-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0

Additional Certifications

Powered by APX

Retired on behalf of **PHILIP MORRIS NORWAY As**, for offsetting unavoidable emissions, year 2022.

Originating project name:	Manoa REDD+ Project
Quantity of retired credits:	29
Unit Type:	VCU
Serial number:	13561-513326583-513326611-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0
Retirement Date:	21 December, 2023
Project ID:	VCS 1571
Project type:	Agriculture Forestry and Other Land Use
Country:	Brazil (BR)



VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 21 Dec 2023, 29 Verified Carbon Units (VCUs) were retired on behalf of:

PHILIP MORRIS NORWAY AS

Project Name
Manoa REDD+ Project

VCU Serial Number
13561-513326583-513326611-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0

Additional Certifications

Powered by APX

Retired on behalf of **Philip Morris Portugal – Tabaqueira II, SA**, for offsetting unavoidable emissions, year 2022.

Originating project name:	Manoa REDD+ Project
Quantity of retired credits:	1644
Unit Type:	VCU
Serial number:	13561-513305853-513307496-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0
Retirement Date:	17 January, 2024
Project ID:	VCS 1571
Project type:	Agriculture Forestry and Other Land Use
Country:	Brazil (BR)

VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 17 Jan 2024, 1,644 Verified Carbon Units (VCUs) were retired on behalf of:

Philip Morris Portugal Tabaqueira II, SA

Project Name
Manoa REDD+ Project

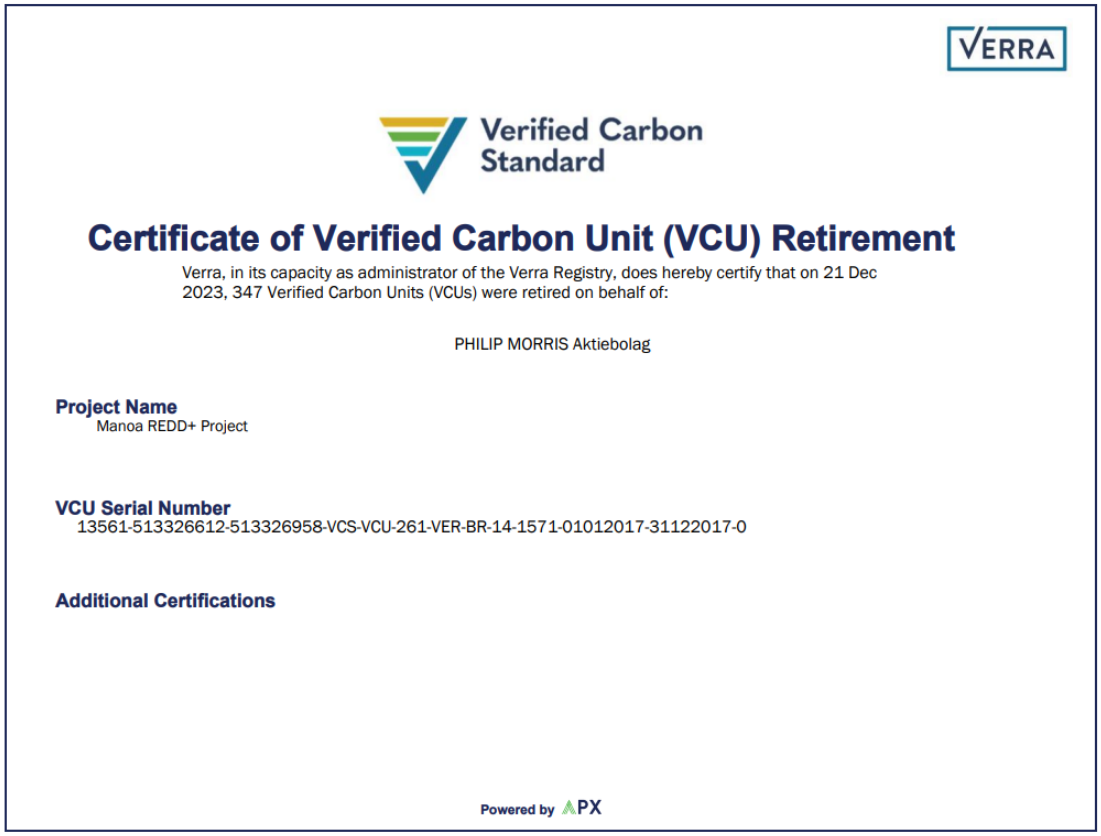
VCU Serial Number
13561-513305853-513307496-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0

Additional Certifications

Powered by APX

Retired on behalf of **PHILIP MORRIS Aktiebolag** (Sweden), for offsetting unavoidable emissions, year 2022.

Originating project name:	Manoa REDD+ Project
Quantity of retired credits:	347
Unit Type:	VCU
Serial number:	13561-513326612-513326958-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0
Retirement Date:	21 December, 2023
Project ID:	VCS 1571
Project type:	Agriculture Forestry and Other Land Use
Country:	Brazil (BR)



VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 21 Dec 2023, 347 Verified Carbon Units (VCUs) were retired on behalf of:

PHILIP MORRIS Aktiebolag

Project Name
Manoa REDD+ Project

VCU Serial Number
13561-513326612-513326958-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0

Additional Certifications

Powered by APX

Retired on behalf of **Philip Morris Pazarlama ve Satış A.Ş** for offsetting unavoidable emissions, year 2022.

Originating project name:	Manoa REDD+ Project
Quantity of retired credits:	529
Unit Type:	VCU
Serial number:	13561-513327082-513327610-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0
Retirement Date:	21 December, 2023
Project ID:	VCS 1571
Project type:	Agriculture Forestry and Other Land Use
Country:	Brazil (BR)

VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 21 Dec 2023, 529 Verified Carbon Units (VCUs) were retired on behalf of:

Philip Morris Pazarlama ve Satş A.Ş.

Project Name
Manoa REDD+ Project

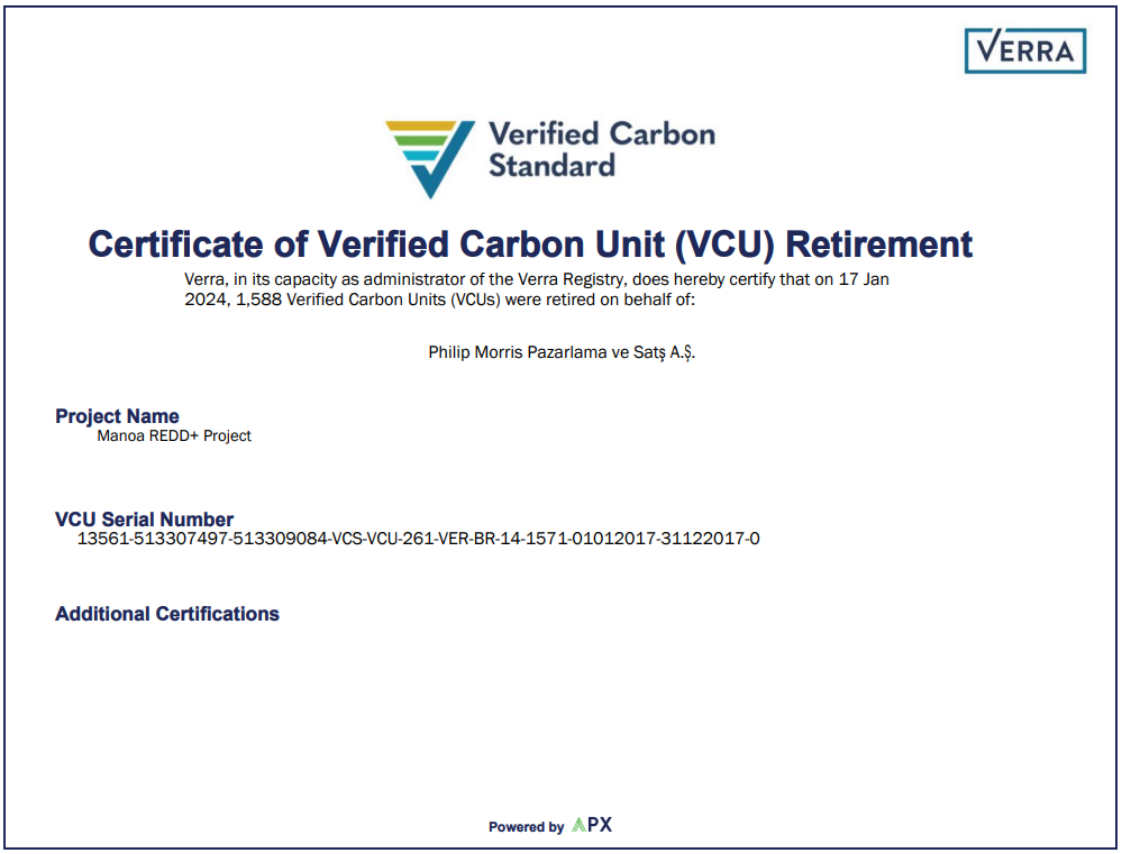
VCU Serial Number
13561-513327082-513327610-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0

Additional Certifications

Powered by APX

Retired on behalf of **Philip Morris Pazarlama ve Satış A.Ş** for offsetting unavoidable emissions, year 2022.

Originating project name:	Manoa REDD+ Project
Quantity of retired credits:	1,588
Unit Type:	VCU
Serial number:	13561-513307497-513309084-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0
Retirement Date:	17 January, 2024
Project ID:	VCS 1571
Project type:	Agriculture Forestry and Other Land Use
Country:	Brazil (BR)



VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 17 Jan 2024, 1,588 Verified Carbon Units (VCUs) were retired on behalf of:

Philip Morris Pazarlama ve Satş A.Ş.

Project Name
Manoa REDD+ Project

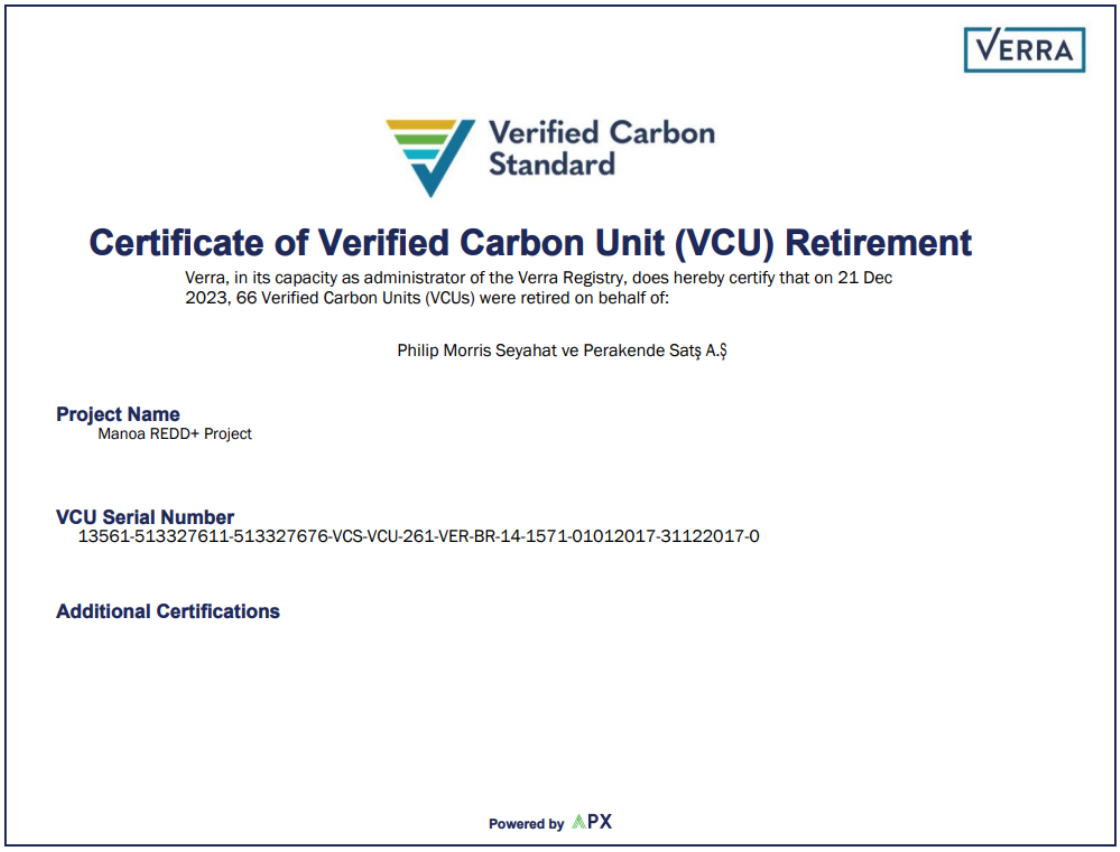
VCU Serial Number
13561-513307497-513309084-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0

Additional Certifications

Powered by APX

Retired on behalf of **Philip Morris Seyahat ve Perakende Satış A.Ş** for offsetting unavoidable emissions, year 2022.

Originating project name:	Manoa REDD+ Project
Quantity of retired credits:	66
Unit Type:	VCU
Serial number:	13561-513327611-513327676-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0
Retirement Date:	21 December, 2023
Project ID:	VCS 1571
Project type:	Agriculture Forestry and Other Land Use
Country:	Brazil (BR)



VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 21 Dec 2023, 66 Verified Carbon Units (VCUs) were retired on behalf of:

Philip Morris Seyahat ve Perakende Satş A.Ş

Project Name
Manoa REDD+ Project

VCU Serial Number
13561-513327611-513327676-VCS-VCU-261-VER-BR-14-1571-01012017-31122017-0

Additional Certifications

Powered by APX

4.4 Compensation program for the second application

For the second application period, PMI will cancel the volume of carbon credits required once the emission calculations are completed for that period. The volumes of credits required by PMI affiliates will be confirmed at later stage upon completion of the greenhouse gas inventory audit for this Application Period. The portfolio composition and share among projects will be determined based on the volume of credits.

5 Annex A – Carbon Neutral Assurance letter

SGS

Verification Statement Number:
CCP267920.PMI.2022.V1 2024.02.06

The Carbon Neutrality Declaration as presented in its Qualifying Explanatory Statement (QES), for the application period 01/01/2022 – 31/12/2022 of:

Philip Morris International Market Entities Cluster 1, as defined in the scope section of this opinion and comprising market related activities of:
Philip Morris (Australia) Limited
Philip Morris Costa Rica S.A
Philip Morris ApS
Philip Morris Finland Oy
Philip Morris Greece – Papastratos Cigarette Manufacturing Company, SA
Philip Morris (New Zealand) Limited
Philip Morris Norway AS
Philip Morris Portugal – Tabaqueira II, SA
Philip Morris Aktiebolag
Philip Morris Pazarlama ve Satış A.Ş (Türkiye) and
Philip Morris Seyahat ve Perakende Satış A.Ş (Türkiye)

has been verified by SGS United Kingdom Limited as conforming to the requirements of PAS 2060:2014: Specification for the demonstration of carbon neutrality (PAS 2060).

Lead Assessor: Lisa Gibson
Technical Reviewer: Andrew James Collins

Authorised by:

Pamela Chadwick

Business Manager
SGS United Kingdom Ltd

Verification Statement Date: 6th February 2024

SGS United Kingdom Ltd Inward Way, Rossmore Business Park, Ellesmere Port, Cheshire CH65 3EN **Tel** +44 (0)151 350 6666
Climate Change Programme ukclimatechange@sgs.com www.sgs.com

Member of SGS Group

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

Schedule Accompanying Greenhouse Gas Verification Statement
CCP267920.PMI.2022.V1 2024.02.06

Brief Description of Verification Process
SGS has been contracted by Philip Morris International (PMI) for the verification of their Carbon Neutrality Declaration as presented in the Qualifying Explanatory Statement (QES) for Market Entities Cluster 1, for the application period 01/01/2022 – 31/12/2022, against the requirements of PAS 2060:2014: Specification for the demonstration of carbon neutrality (PAS 2060).

Roles and Responsibilities
The management of Philip Morris International 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, preparation of reports, QES, purchase and retirement of carbon offsets.

It is SGS' responsibility to express an independent opinion on the Carbon Neutrality Declaration as provided by the Client for the application period 01/01/2022 – 31/12/2022.

SGS conducted a third-party verification following the requirements of ISO 14064-3: 2019 of the provided Carbon Neutral Declaration and supporting QES during the period September 2023 to January 2024. The assessment was conducted via desk review. The verification was based on the verification scope, objectives and criteria as agreed between Philip Morris International and SGS.

Objectives:
The purpose of the verification exercise was, by review of objective evidence, to independently review and confirm:

- That the Carbon Neutrality Declaration and QES conform to the requirements of PAS 2060
- That the emissions data reported in the QES are accurate, complete, consistent, transparent and free of material error or omission and have been determined in accordance with .WRI/WBCSD GHG Protocol, Corporate Accounting and Reporting Standard
- That evidence is available to support information reported within the QES including carbon offset purchases and retirements.

Level of Assurance
The level of assurance agreed is reasonable.

Scope
This engagement covers verification of:

- The organizational boundary was established following the operational control consolidation approach for each of the market affiliates.
- Title or description of activities: Emissions for market affiliates office, warehouse, fleet and retail operations
- Scope 1 & 2 emissions only
- Location/boundary of the activities: as per list below
- First application period: Calendar Year 2022

Intended user of the verification statement: internal, customers, general public.

Market affiliates:

Country	Legal Entity
Australia	Philip Morris (Australia) Limited
Costa Rica	Philip Morris Costa Rica S.A
Denmark[2]	Philip Morris ApS
Finland[2]	Philip Morris Finland Oy
Greece[1]	Philip Morris Greece – Papastratos Cigarette Manufacturing Company, SA
New Zealand	Philip Morris (New Zealand) Limited
Norway[2]	Philip Morris Norway AS
Portugal[1]	Philip Morris Portugal – Tabaqueira II, SA
Sweden[2]	Philip Morris Aktiebolag
Turkey[1]	Philip Morris Pazarlama ve Satış A.Ş (Türkiye) and Philip Morris Seyahat ve Perakende Satış A.Ş (Türkiye)

[1] excluding manufacturing operations related emissions
[2] excluding Swedish Match related emissions

Materiality
The materiality required of the verification was considered by SGS to be below 5%,

We planned and performed our work to obtain the information, explanations and evidence that we considered necessary to provide a reasonable level of assurance that the CO_2 equivalent emissions, carbon neutrality declaration and QES for the first period 01/01/2022 – 31/12/2022 are fairly stated.

SGS' approach is risk-based, drawing on an understanding of the risks associated with compiling and reporting 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 emission information and carbon neutrality.

Conclusion
Philip Morris International provided their Carbon Neutrality Declaration based on the criteria outlined above. The Carbon Neutrality Declaration and QES for the application period 01/01/2022 – 31/12/2022 are verified by SGS to a reasonable level of assurance, consistent with the agreed verification scope, objectives and criteria.

SGS concludes with reasonable assurance that the presented Carbon Neutrality Declaration and supporting QES is materially correct and is a fair representation of the CO_2 equivalent data and information and conforms to the requirements of PAS2060 2014.

6 Annex B – Qualifying Explanatory Statements (QES) checklist

QES%20Document.xlsx

7 Annex C – Scope 1, 2 and 3 emissions inclusion and exclusion

Included and excluded emission sources related to the subject(s) are presented below, together with explanation for exclusions.

Scope	Emission source	Description	Inclusion exclusion	Justification of Exclusion
1.1	Stationary combustion	Combustion of fuels in boilers and furnaces for the generation of heat and steam, used for production processes and heating of buildings	Included	-
1.2	Mobile combustion sources	Transportation of employees and goods with cars under the affiliates' control.	Included	-
1.3	Process emissions	Emissions occurring during the production process (DIET)	N/A	-
1.4	Fugitive emissions	Refrigerant gases losses	Excluded*	Identified as below materiality threshold within the GHG inventory *Included for Costa Rica and Portugal though there were no refrigerant refills in 2022.
2.1	Electricity consumption	Generation of purchased electricity	Included	-
2.2	Heat, steam and/or cold consumption	Purchase of heat, steam or cold energy not produced at operation site.	Included	-
3	Scope 3	All other indirect emissions	Excluded	Out of scope

Table 7.1 - Inclusions and exclusions

8 Annex D – Uncertainty calculation

Uncertainties around the quantification of the carbon footprint have been assessed throughout the assessment following the guidelines released by ISO and available in the "GHG Protocol's Measurement and Estimation Uncertainty of GHG Emissions tool" (supporting worksheet file "Uncertainty_Calculation_Tool")[5]; since the uncertainties are not known for all the parameters (activity data and emission factors), the IPCC Guideline for National Greenhouse Inventories Reporting Instructions (1996) was used:

- Activity data: 7% (IPCC)
- Emission factor: 7% (IPCC)

All information can be accessed in the below file attached:

2022 PMI Markets Cluster 1 Uncertaint

[5] https://ghgprotocol.org/calculation-tools

Outcome of the uncertainty calculation (from attached file)

		Step 1+2						Step 3						Step 4	
		A	B	C	D	E	F	G	H	I	J	K	L		
		Activity Data (e.g. Quantity of fuel used)	Unit used to measure Activity Data	Uncertainty of activity data (a) (Confidence interval expressed in ± percent)	GHG emission factor	Unit of GHG emission factor (for kg CO2!)	Uncertainty of emission factor (Confidence interval expressed in ± percent)	CO2 emissions in kg	CO_2 emissions in metric tonnes	Uncertainty of calculated emissions	Certainty Ranking	Auxiliary Variable 1 (=F!)	Auxiliary Variable 2 x^2	Cumulated Uncertainty:	Aggregated Certainty Ranking
	Example: Source 1	1000.00	GJ	+/- 5.0%	56.10	kg CO2 / GJ	+/- 10.0%	A * D	G/1000	$\sqrt{C^2 + F^2}$ +/- 11.2%	Good	6.27	39.34		
Australia	**Source description**														
	District Heating (Energy) Office [MJ]		MJ	+/- 7.0%	0.05	kg GHG/MJ	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Renewable Electricity - Market based		kWh	+/- 7.0%	0.00	kg CO2 / kWh	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Non-renewable Electricity - Market based	412,964.75	kWh	+/- 7.0%	0.68	kg CO2 / kWh	+/- 7.0%	281,311.59	281.31	+/- 9.9%	Good	27.85	775.53	+/- 7.0%	Good
	Fleet Fuel Diesel	550.62	l	+/- 7.0%	2.70	kg CO2 / l	+/- 7.0%	1,486.01	1.49	+/- 9.9%	Good	0.15	0.02		
	Fleet Fuel Petrol	161,967.86	l	+/- 7.0%	2.16	kg CO2 / l	+/- 7.0%	350,150.22	350.15	+/- 9.9%	Good	34.66	1,201.53		
	Note: For individual uncertainties greater than 60%, the results of the tool are not valid						Sum CO_2 emissions (M):	632,947.82	632.95						
Costa Rica	**Source description**														
	Diesel (Generator)	571.35	MJ	+/- 7.0%	2.70	kg GHG/MJ	+/- 7.0%	1,541.96	1.54	+/- 9.9%	Good	0.15	0.02		
	District Heating (Energy) Office [MJ]		MJ	+/- 7.0%	0.05	kg GHG/MJ	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Renewable Electricity - Market based		kWh	+/- 7.0%	0.00	kg CO2 / kWh	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00	+/- 7.9%	Good
	Non-renewable Electricity - Market based	479,797.98	kWh	+/- 7.0%	0.0018	kg CO2 / kWh	+/- 7.0%	863.64	0.86	+/- 9.9%	Good	0.09	0.01		
	Fleet Fuel Diesel	134,859.00	l	+/- 7.0%	2.70	kg CO2 / l	+/- 7.0%	363,957.47	363.96	+/- 9.9%	Good	36.03	1,298.16		
	Fleet Fuel Petrol	51,282.00	l	+/- 7.0%	2.16	kg CO2 / l	+/- 7.0%	110,863.99	110.86	+/- 9.9%	Good	10.97	120.45		
	Note: For individual uncertainties greater than 60%, the results of the tool are not valid						Sum CO_2 emissions (M):	477,227.06	477.23						
Denmark	**Source description**														
	District Heating (Energy) Office [MJ]	145,756.40	MJ	+/- 7.0%	0.05	kg GHG/MJ	+/- 7.0%	6,912.50	6.91	+/- 9.9%	Good	0.68	0.47		
	Renewable Electricity - Market based	0.00	kWh	+/- 7.0%	0.00	kg CO2 / kWh	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Non-renewable Electricity - Market based	31,571.49	kWh	+/- 7.0%	0.09	kg CO2 / kWh	+/- 7.0%	2,983.51	2.98	+/- 9.9%	Good	0.30	0.09	+/- 9.4%	Good
	Fleet Fuel Diesel	71,252.00	l	+/- 7.0%	2.70	kg CO2 / l	+/- 7.0%	192,294.90	192.29	+/- 9.9%	Good	19.04	362.38		
	Fleet Fuel Petrol	0.00	l	+/- 7.0%	2.16	kg CO2 / l	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Note: For individual uncertainties greater than 60%, the results of the tool are not valid						Sum CO_2 emissions (M):	202,190.90	202.19						
Finland	**Source description**														
	District Heating (Energy) Office [MJ]	95.92	MJ	+/- 7.0%	0.05	kg GHG/MJ	+/- 7.0%	4.55	0.00	+/- 9.9%	Good	0.00	0.00		
	Renewable Electricity - Market based	18,422.94	kWh	+/- 7.0%	0.00	kg CO2 / kWh	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Non-renewable Electricity - Market based	0.00	kWh	+/- 7.0%	0.07	kg CO2 / kWh	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00	+/- 9.9%	Good
	Fleet Fuel Diesel	16,640.00	l	+/- 7.0%	2.70	kg CO2 / l	+/- 7.0%	44,908.03	44.91	+/- 9.9%	Good	4.45	19.76		
	Fleet Fuel Petrol	0.00	l	+/- 7.0%	2.16	kg CO2 / l	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Note: For individual uncertainties greater than 60%, the results of the tool are not valid						Sum CO_2 emissions (M):	44,912.58	44.91						
Greece	**Source description**														
	District Heating (Energy) Office [MJ]		MJ	+/- 7.0%	0.05	kg GHG/MJ	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Renewable Electricity - Market based	393,021.61	kWh	+/- 7.0%	0.00	kg CO2 / kWh	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Non-renewable Electricity - Market based		kWh	+/- 7.0%	0.37	kg CO2 / kWh	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00	+/- 7.0%	Good
	Fleet Fuel Diesel	69,404.00	l	+/- 7.0%	2.70	kg CO2 / l	+/- 7.0%	187,307.52	187.31	+/- 9.9%	Good	18.54	343.82		
	Fleet Fuel Petrol	104,881.00	l	+/- 7.0%	2.16	kg CO2 / l	+/- 7.0%	226,758.61	226.76	+/- 9.9%	Good	22.45	503.91		
	Note: For individual uncertainties greater than 60%, the results of the tool are not valid						Sum CO_2 emissions (M):	414,066.12	414.07						
New Zealand	**Source description**														
	District Heating (Energy) Office [MJ]		MJ	+/- 7.0%	0.05	kg GHG/MJ	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Renewable Electricity - Market based	64,371.52	kWh	+/- 7.0%	0.00	kg CO2 / kWh	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Non-renewable Electricity - Market based		kWh	+/- 7.0%	0.00	kg CO2 / kWh	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00	+/- 9.9%	Good
	Fleet Fuel Diesel		l	+/- 7.0%	2.70	kg CO2 / l	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Fleet Fuel Petrol	59,280.00	l	+/- 7.0%	2.16	kg CO2 / l	+/- 7.0%	128,154.47	128.15	+/- 9.9%	Good	12.69	160.95		
	Note: For individual uncertainties greater than 60%, the results of the tool are not valid						Sum CO_2 emissions (M):	128,154.47	128.15						
Norway	**Source description**														
	District Heating (Energy) Office [MJ]	118,043.21	MJ	+/- 7.0%	0.05	kg GHG/MJ	+/- 7.0%	5,598.20	5.60	+/- 9.9%	Good	0.55	0.31		
	Renewable Electricity - Market based	0.00	kWh	+/- 7.0%	0.00	kg CO2 / kWh	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Non-renewable Electricity - Market based	27,678.40	kWh	+/- 7.0%	0.01	kg CO2 / kWh	+/- 7.0%	179.91	0.18	+/- 9.9%	Good	0.02	0.00	+/- 5.9%	Good
	Fleet Fuel Diesel	4,428.00	l	+/- 7.0%	2.70	kg CO2 / l	+/- 7.0%	11,950.29	11.95	+/- 9.9%	Good	1.18	1.40		
	Fleet Fuel Petrol	4,629.00	l	+/- 7.0%	2.16	kg CO2 / l	+/- 7.0%	10,007.20	10.01	+/- 9.9%	Good	0.99	0.98		
	Note: For individual uncertainties greater than 60%, the results of the tool are not valid						Sum CO_2 emissions (M):	27,735.60	27.74						
Portugal	**Source description**														
	Diesel	105.00	MJ	+/- 7.0%	2.70	kg GHG/MJ	+/- 7.0%	283.37	0.28	+/- 9.9%	Good	0.03	0.00		
	District Heating (Energy) Office [MJ]		MJ	+/- 7.0%	0.05	kg GHG/MJ	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Renewable Electricity - Market based	772,091.48	kWh	+/- 7.0%	0.00	kg CO2 / kWh	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Non-renewable Electricity - Market based	55,019.76	kWh	+/- 7.0%	0.19	kg CO2 / kWh	+/- 7.0%	10,200.66	10.20	+/- 9.9%	Good	1.01	1.02	+/- 7.2%	Good
	Fleet Fuel Diesel	218,313.65	l	+/- 7.0%	2.70	kg CO2 / l	+/- 7.0%	589,184.88	589.18	+/- 9.9%	Good	58.33	3,401.96		
	Fleet Fuel Petrol	460,970.58	l	+/- 7.0%	2.16	kg CO2 / l	+/- 7.0%	996,549.25	996.55	+/- 9.9%	Good	98.65	9,732.48		
	Note: For individual uncertainties greater than 60%, the results of the tool are not valid						Sum CO_2 emissions (M):	1,596,218.16	1,596.22						
Turkey	**Source description**														
	Natural Gas	2,432,010.00	MJ	+/- 7.0%	0.06	kg GHG/MJ	+/- 7.0%	137,719.32	137.72	+/- 9.9%	Good	13.63	185.87		
	District Heating (Energy) Office [MJ]		MJ	+/- 7.0%	0.05	kg GHG/MJ	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Renewable Electricity - Market based		kWh	+/- 7.0%	0.00	kg CO2 / kWh	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Non-renewable Electricity - Market based	744,915.00	kWh	+/- 7.0%	0.42	kg CO2 / kWh	+/- 7.0%	312,789.81	312.79	+/- 9.9%	Good	30.96	958.81	+/- 5.7%	Good
	Fleet Fuel Diesel	295,689.00	l	+/- 7.0%	2.70	kg CO2 / l	+/- 7.0%	798,005.47	798.01	+/- 9.9%	Good	79.00	6,240.76		
	Fleet Fuel Petrol	402,828.00	l	+/- 7.0%	2.16	kg CO2 / l	+/- 7.0%	870,853.71	870.85	+/- 9.9%	Good	86.21	7,432.18		
	Note: For individual uncertainties greater than 60%, the results of the tool are not valid						Sum CO_2 emissions (M):	2,119,368.32	2,119.37						
Sweden	**Source description**														
	District Heating (Energy) Office [MJ]	585,551.03	MJ	+/- 7.0%	0.05	kg GHG/MJ	+/- 7.0%	27,769.76	27.77	+/- 9.9%	Good	2.75	7.56		
	Renewable Electricity - Market based	121,095.00	kWh	+/- 7.0%	0.00	kg CO2 / kWh	+/- 7.0%	0.00	0.00	+/- 9.9%	Good	0.00	0.00		
	Non-renewable Electricity - Market based	35,548.34	kWh	+/- 7.0%	0.0104	kg CO2 / kWh	+/- 7.0%	369.70	0.37	+/- 9.9%	Good	0.04	0.00	+/- 7.5%	Good
	Fleet Fuel Diesel	91,473.00	l	+/- 7.0%	2.70	kg CO2 / l	+/- 7.0%	246,867.33	246.87	+/- 9.9%	Good	24.44	597.25		
	Fleet Fuel Petrol	28,358.00	l	+/- 7.0%	2.16	kg CO2 / l	+/- 7.0%	61,305.74	61.31	+/- 9.9%	Good	6.07	36.83		
	Note: For individual uncertainties greater than 60%, the results of the tool are not valid						Sum CO_2 emissions (M):	336,312.54	336.31						
	OVERALL							5,979,133.56	5,979.13					+/- 0.5%	High

Table 8.1 - Uncertainty calculations

Uncertainties due to emission Factors and Activity Data				
1	2	3	4	5
Gas	**Source category**	**Emission factor**	**Activity data**	**Overall uncertainty**
CO_2	Energy	7%	7%	10%
CO_2	Industrial Processes	7%	7%	10%
CO_2	Land Use Change and Forrestry	33%	50%	60%
CH_4	Biomass Burning	50%	50%	100%
CH_4	Oil and Nat. Gas Activities	55%	20%	60%
CH_4	Rice cultivation	3/4	1/4	1
CH_4	Waste	2/3	1/3	1
CH_4	Animals	25%	10%	20%
CH_4	Animal waste	20%	10%	20%
N_20	Industrial Processes	35%	35%	50%
N_20	Agricultural Soils			2 orders of magnitude
N_20	Biomass Burning			100%
Note: Individual uncertainties that appear to be greater than ± 60% are not shown. Instead judgement as to the relative importance of emissions factor and activity data uncertainties are shown as fractions which sum to one				

Source:
Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories: Reporting Instructions

Table 8.2 - IPCC uncertainty data

9 Annex E – Voluntary offset program

In this annex, shortlist of projects chosen for compensation of 2022 emissions.

Project Name	Description of Project	Official Project Link
Manoa – VCS 1571	Manoa REDD+ Project is a partnership between Biofílica and Grupo Triângulo, located at Manoa Farm, city of Cujubim, state of Rondônia (Brazil), in an area of 74,038.7 hectares. The farm's 73,000 hectares of forest demonstrates the pioneering in sustainable forest management, and are one of the few forest areas remaining in private area in the region, constantly threatened by invasions and timber theft. Manoa is of paramount importance in the landscape connectivity, as it is close to conservation units and provides shelter for several species. Benefits to Climate: Avoid the emission of 279,290 tons of CO2e per year or 8,378,697 tons of CO2e along 30 years of project. This corresponds to 22,118 hectares of avoided deforestation.	https://registry.verra.org/app/projectDetail/VCS/1571
Rimba Raya – VCS 674	The Rimba Raya Biodiversity Reserve Project, an initiative by InfiniteEARTH, aims to reduce Indonesia's emissions by preserving some 64,000 hectares of tropical peat swamp forest. This area, rich in biodiversity including the endangered Bornean orangutan, was slated by the Provincial government to be converted into four palm oil estates. Located on the southern coast of Borneo in the province of Central Kalimantan, the project is also designed to protect the integrity of the adjacent world-renowned Tanjung Puting National Park, by creating a physical buffer zone on the full extent of the ~90km eastern border of the park.	https://registry.verra.org/app/projectDetail/VCS/674
WWF Ningshan County High Efficient Cook Stove Project GS2429	Project is engaged in reducing the non-renewable biomass for household by improve the efficiency of the cook stove with the type of improved distributed heating and cooking devices.	https://registry.goldstandard.org/projects/details/344

Table 9.1 - Voluntary offset program

10 Annex F – Internal Reporting Guidelines for Offices and Warehouses

PMS Environmental Reporting Guidance.p

11 Annex G – Markets Cluster 1 Responsible Individuals

Markets Cluster 1 individuals responsible* for the evaluation and provision of the data necessary for the substantiation of the declaration (inc. preparing, substantiating, communicating and maintaining the declaration).

Country	Legal Entity(ies)
Denmark	Eva Rasmussen Nicolina Klingborg Asa Liakos Cecilia Liiljeforss
Finland	
Norway	
Sweden	
Australia	Joanne Waterson
New Zealand	
Costa Rica	Williana Guzman
Greece	Christina Alexandropoulou
Portugal	Ana Repas
Turkey	Kağan Özel, Meltem Güler Kocabey

Table 11.1 - Market Responsible Individuals

* supported by Valeria Gilling and Len Beggs

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