



## Tackle climate change

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# Absolute carbon emissions reduction in scope 3 Forests, Land, and Agriculture (FLAG) versus 2019 baseline (in line with science-based target)

### KPI description

FLAG targets apply to a company's Forest, Land, and Agriculture related emissions up to the farm gate, including CO<sub>2</sub> emissions related with land use change (e.g., deforestation, forest degradation, conversion of wetlands, peatland burning), land management (e.g., N<sub>2</sub>O and CH<sub>4</sub> from enteric fermentation, biomass burning, application of fertilizers, manure management), and carbon removals and storage (e.g., carbon sequestration from improved forest management, agroforestry, afforestation, soil organic carbon, biochar, technological). PMI has set a science-based target to achieve a 33.3 percent reduction in scope 3 FLAG GHG emissions by 2030 versus 2019 baseline.

## Definitions

**Science-based targets** SBTi is a partnership between CDP, the UN Global Compact, World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). Science-based targets provide a clearly defined path to reduce emissions, helping prevent the worst impacts of climate change and future-proof business growth. Targets are considered "science-based" if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement—limiting global warming to 1.5°C above pre-industrial levels.

**Scope 3 FLAG GHG emissions** Indirect emissions that result from PMI's acquisition of raw materials with a biogenic origin, including but not limited to tobacco, pulp and paper materials, packaging materials, ingredients, and others.

### Calculation methodology

PMI has a full value chain carbon footprint model in place, which includes Scope 3 FLAG emissions. Our carbon footprint model is aligned with the GHG Protocol "[Corporate Value Chain \(Scope 3\) Standard](#)" (2011) and "[Land Sector and Removals Guidance](#)" (2024). For more details on PMI's accounting methodology, scope, and data collection process, please refer to [PMI's Value Chain Carbon Footprint: Methodology Overview](#).

### Data verification

PMI's scope 3 FLAG GHG emissions are reviewed and verified annually by an external third party according to ISO 14064-3:2019 as part of PMI's carbon footprint verification. The verification statement is available on [PMI.com](#).

 See the external verification statement from SGS for scope 3 FLAG [here](#).