



PHILIP MORRIS INTERNATIONAL

DECLARATION OF CARBON NEUTRALITY

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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 report is publicly available on a dedicated website <https://www.pmi.com/carbon-neutrality-declaration-2022-tabaqueira>

This is the **second declaration** of carbon neutrality for Tabaqueira - Empresa Industrial de Tabacos, S.A. (Tabaqueira EIT, S.A.) as per PAS 2060:2014 standard.

Carbon Neutrality of the Scope 1 and 2 emissions under the direct operational control of **Tabaqueira - Empresa Industrial de Tabacos, S.A.** manufacturing plant, achieved **Tabaqueira EIT, S.A** in accordance with PAS2060:2014 at 31st December 2021 with a commitment to maintain to 31st December 2022 for the period commencing 1st January 2022. SGS United Kingdom Limited Certified.

Certification letter from SGS can be found in Annex A.

1 Introduction

This document forms the Qualifying Explanatory Statement (QES) to demonstrate that **Tabaqueira EIT, S.A** has achieved **carbon neutrality** for the below mentioned affiliates (plants) manufacturing processes for the period starting 1st January 2021 and ending 31st December 2021, in accordance with PAS2060:2014.

This has been achieved through:

- **Continuous carbon emissions reduction** through action plans under PMI direct controls: affiliates and fleet under affiliates' control (when applicable)
- **Compensation of remaining carbon emissions** for the period commencing 1st January 2021 and ending 31st December 2021.

This report includes the information which substantiates the declaration of PMI affiliates achievement of carbon neutrality for second application period (under PAS2060, but third altogether) and commitment on carbon neutrality up to 2025 (6 years, from 2020 the reference year) in compliance with PAS 2060:2014 standard.

PMI affiliates has also set up a **Carbon Management Plan** to **reduce the GHG emissions associated to the manufacturing processes** in order to demonstrate commitment to being carbon neutral in accordance with PAS2060:2014 standard.

1.1 General information

PAS2060 Information requirement	Information as it relates to PMI affiliates
Entities making PAS 2060 declarations	Tabaqueira - Empresa Industrial de Tabacos, S.A. (Tabaqueira EIT, S.A.)
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)	Gianluca Capodimonte
Subject of PAS2060 declaration	Scope 1 & 2 Emissions under the operational control of Tabaqueira EIT, S.A manufacturing plant. (complete list available in Annex C)
Function of subject	Factory manufacturing conventional products for PMI and its brands.
Activities required for subjects to fulfil its function	The activities required within the manufacturing process are: <ul style="list-style-type: none"> • Manufacture of Tobacco Related Products; • Flavor & Casing Processing; • BBS Processing;

	<ul style="list-style-type: none"> • Improved Stem Processing; • Cut Filler Processing; • Filter Processing; • Machine Cigarette Processing; • Quality Control Laboratory Activities
Rationale for selection of the subjects	PMI's ambition is to be carbon neutral for direct operations (factories, fleet and offices) by 2025. In this journey, all subjects (factories) 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 PAS2060 programme	1 st of January 2020
Achievement period	1 st of January 2021 – 31 st of December 2021
Commitment period	1 st of January 2022 – 31 st of December 2025

Table 1.1 - General information

1.2 Scope

The **subject** for carbon neutrality is the following affiliate:

- **Tabaqueira (Portugal)**

The main business activity is the manufacturing of conventional products within PMI brands, as reported in Annex C.

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 **all the activities** occurring **within the physical perimeter of the affiliate** and **under the affiliate control** including:

- The manufacturing plant
- The office(s) and/or warehouse(s) included within the perimeter (if applicable)
- The fleet under the affiliate's control (if applicable)

GHG emissions associated to affiliate manufacturing process within the defined boundary from the periods of 1st January 2021 to 31st December 2021 have been quantified in accordance with GHG Protocol (operational control), following a corporate GHG inventory accounting conducted by SGS.

The data for this application period has been **verified by an independent third party**, SGS, who confirms 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 manufacturing process during the year 2021 (2nd application period) and represent a total of **4,205 tonnes of CO₂ equivalent**.

GHG scope	GHG emissions [tCO ₂ eq]	Scope contribution
Scope 1 – manufacturing	4153	99%
Scope 1 – fleet	52	1%
Scope 2 – Market based	0	0%
Total carbon footprint	4205	100%

Table 2.1 - GHG emissions overall results

2.2 Methodology

Total GHG emissions associated with PMI affiliate(s), 1st January 2021 to 31st December 2021, 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 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.

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 certification.

2.2.1.1 Scope 1

GHG emissions related to scope 1 come from direct emissions from sources owned or controlled by the affiliate(s). 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)

2.2.1.2 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 affiliate(s). In PMI context, scope 2 emissions are:

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

2.2.1.3 Scope 3

GHG emissions related to scope 3 refer to all other indirect emissions as a consequence of the activities of the affiliate(s) that occur from sources not owned or controlled by 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, secondary data was used to quantify emission. For scope 1 and 2, **primary data were exclusively used.**

1. Primary Data source relates to all input and output corresponding to steps under the affiliates control were directly provided. This includes energy inputs for production as well as fuel consumption for the fleet under control.
2. Emission Factors were sourced from recognized databases (DEFRA and GHG protocol).

Source of data were reviewed by SGS through the GHG Protocol certification process and requirements of PAS 2060:2014.

2.4 Assumptions and estimations

All assumptions made to quantify the Greenhouse gas emission of PMI affiliates were reviewed by SGS through the GHG Protocol verification process and requirements of PAS 2060:2014. For scope 1 and 2 in Manufacturing, no assumptions were made.

2.5 Exclusions

Annex C outlines all the inclusions and exclusions for GHG emissions; in order to cover all exclusions within the system boundary an overrate of 3% has been added to affiliate total Carbon Footprint for compensation; in this way 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 GHG Protocol).
- Secondary data has not been used.

Result of the uncertainty calculation is reported in Annex F.

2.7 Comparison with baseline period results

GHG scope	2020 GHG emissions [tCO ₂ eq]	2021 GHG emissions [tCO ₂ eq]
Scope 1 – manufacturing	4.560	4.153
Scope 1 – fleet	48	52
Scope 2 – Market based	-	-
Total Carbon footprint	4.608	4.205

Company name	Sub total Market based [t GHG]		Absolute reduction [%]	Total Production (Mio Cigarettes Equivalent) [Mio Cig]		Total CO ₂ Emissions per Mio Cig Equivalent - Market based [t GHG/Mio Cig]		Intensity reduction [%]
	2020	2021		2020	2021	2020	2021	
Tabaqueira Empresa Industrial de Tabacos SA	4.608	4.205	9%	32.567	32.621	0,1414950	0,1289033	9%

3 Carbon Management Plan

The carbon reduction management plan considers a 6 years period (2020-2025) with the aim of maintaining the emissions down, this means that the emission indicator must not increase along the period.

This target will be monitored periodically (annually) in order to check if the expected results are aligned to the real ones. In order to achieve the target a series of project will be implemented.

Although PMI affiliates began its Carbon Management Programme for Carbon Neutrality in 2020, energy saving measures have been implementing since 2010 within the production plants (i.e. Klaipeda (Lithuania) PMPSA (Switzerland) Tabaqueria (Portugal)). Others started later and will be considered in the boundaries of this study.

The following paragraphs explain in detail implemented (paragraph 3.2) and planned (paragraph 3.3) projects, that are mainly related to production plant GHG emissions reductions.

3.1 PMI best practice

In 2021, 37 out of 42 affiliates, 100% of electricity purchased came from renewable sources (electricity source for the affiliates in the carbon neutral factory certification are provided in annex F). Since 2017, we are gradually increasing the uptake of green electricity (as showed in below table) 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 ton of CO₂ equivalent**.

Indicator	2017	2018	2019	2020	2021	Total Value
CO2 Scope 2 (GHG emissions) - Manufacturing - Market based [t GHG]	217.563	149.757	111.508	65.289	41.157	585.273
CO2 Scope 2 (GHG emissions) - Manufacturing - Location based [t GHG]	414.126	395.371	398.332	357.670	336.964	1.902.463
Cumulative difference between location based and market based	196.563	245.615	286.824	292.382	295.807	1.317.190

Table 3.1 - Green electricity increase

3.2 Implemented GHG emissions reduction project repository

At PMI, emissions reduction project governance and budget approval comes from two distinctive main stream; one driven from central functions and another by the local team. Table 3.2 shows project implemented in the last few years, evaluated in 2021 Carbon Footprint assessment.

Project name	Description	Year	Type of energy used	Emission reduction [kg CO2 eq]
Energy Efficiency Plan 2010	The energy efficiency plan 2010 encompassed, i.e.: Compressed Air Leakage, Flash Steam Recovery, Variable Speed Drivers for	2010 2011	Electricity/Gas	780,817.54

	Compressors, Steam Boiler Economizer 1, and Chiller Replacement			
Energy Efficiency Plan 2011	The energy efficiency plan 2011 encompassed, i.e.: Efficient LED Lightening, and VSD and Higher Efficiency Motors	2011 2012	Electricity/Gas	823,099.32
Energy Efficiency Plan 2013 and Renewable Electricity	The energy efficiency plan 2013 encompassed, i.e.: Heat recovery for Boiler House, and FTD Heat Recovery. Purchase of Green Electricity since June 2014	2013 2014	Electricity/Gas	5,587,121.69
Steam Boilers Replacement	Install one new boiler with higher energy efficiency and dimensioned according to planned future needs (10 Ton/h) replacing the boilers n°2 and n°3.	2014 2015	Gas	533,449.07
Renewable Electricity	Portuguese legislation requirement to have renewable electricity since 2014 – in 2019 was already 100% renewable and PMI energy efficiency/saving program	2014 2015	Electricity	2,168,545.70
Energy Efficiency Plan 2015	The energy efficiency plan 2015 encompassed, i.e.: Optimization of the combustion control system	2015 2016	Gas	1,007,358.85
Energy Efficiency Plan 2016	The energy efficiency plan 2016 encompassed, i.e.: Thermal Energy Recovery in the Exhaust Gases of the Steam Generator, Thermal Energy Recovery in the BBS Dryer, Thermal Energy Recovery in DCC Dryers for Heating the Air Supply of AHU12, Improvement of Energy Efficiency in the Steam Distribution Network	2016 2017	Gas	470,419.48
Energy Efficiency Plan 2017	The energy efficiency plan 2017 encompassed, i.e.: New Heat Changer Recover for gas exhaust boiler n°2, and New thermal valve jackets isolation	2017 2018	Gas	115,431.03

Shutdown Management	Implementation of a management system to optimize the operating periods of utility equipment, such as: AHUs and Steam Boilers.	2018 2019	Gas	237,349.32
Energy Efficiency Plan 2019	The energy efficiency plan 2019 encompassed, i.e.: Flash Steam Recovery, and Heat Recovery from CA Plant	2019 2020	Gas	188,899.61
Primary Process Optimization	Reduction of steam consumption through the resizing of the production line and implementation of new technologies.	2020 2021	Gas	407,000.00
Solar Park	Implemented photovoltaic solar plant, which covers an area of 5525 m ² with a production capacity of 1MW, which guarantees the integration of 7% of electric energy for self-consumption. This solar park also powers 12 own charging stations for plug in vehicles in Tabaqueira fleet.	2021 2022	Electrical	Avoid environmental footprint of CO2 emission in more than 800 t per year
Hydrogen plant	Memorandum of Understanding with Dourogas to study the feasibility of an hydrogen plant	2021	Gas	n/a
Carbon capture	Memorandum of Understanding with Dourogas to study the feasibility of a carbon capture solution for e-methane production	2021	Gas	n/a

Table 3.2 - Implemented GHG emissions reduction projects

3.3 Planned GHG emissions reduction initiatives

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 (2020-2025).

Initiative name	Description	Year planned	Type of energy used	Estimated reduction [kg CO ₂ e]
Car fleet	Exchange of the automobile diesel fleet for hybrid fleet and increase own charging stations.	2021 2024	Electrical and diesel	0 (if necessary, with offsets)
Energy Efficiency Plan 2022 - 2025	The energy efficiency plan 2022-2025 encompassed the implementation of approximately 20 energy saving projects	2022 2025	Gas	750,000.00
Preliminary Study on Carbon Zero Technologies for Steam Boilers	Preliminary study on biomass hydrogen and electric technologies to decarbonize natural gas burners	2022	Gas	n/a

Table 3.3 - Planned GHG emissions reduction initiatives

Actual emissions reductions will be measured in terms of intensity metrics relating to production output.

4 Carbon offset program

4.1 Offset program for the second 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.

Through collaborating **with Carbonsink** (an internationally recognized stakeholder in carbon neutral strategies), PMI has invested into an offsetting **“Gs2447 Gs1265 African Biomass Energy Conservation Poa Malawi Biomass Conservation”** that has been used to compensate outstanding emissions in this declaration of carbon neutrality.

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 **Standard (VCS)¹**, **Climate Community and Biodiversity Alliance (CCBA)²**, **Gold Standard³**, and **other offsets as endorsed in PAS2060**.

Credits were retired on **27th June 2022**

These credits are supported by publicly available project documentation on the [GSF Registry \(goldstandard.org\)](https://registry.goldstandard.org/credit-blocks?q=2296&page=1&sort_column=created_at&sort_direction=desc) (https://registry.goldstandard.org/credit-blocks?q=2296&page=1&sort_column=created_at&sort_direction=desc). 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 Tabaqueira are:

“Gs2447 Gs1265 African Biomass Energy Conservation Poa Malawi Biomass Conservation”

¹ <https://verra.org/>

² <http://www.climate-standards.org/>

³ <https://www.goldstandard.org/>

⁴ <https://registry.goldstandard.org/projects?q=&page=1>

4.3 Amount of credits purchased

Credits have been ordered by PMI for the period covering 1st of January 2021 – 31st December 2021.

The amount of credits purchased is **4,331 tonnes of CO₂ equivalent**, it is composed by two contribution:

- o **4205 tonnes of CO₂ equivalent**, amount evaluated for this application period
- o **126 tonnes of CO₂ equivalent**, that represent the overrate of 3% of the carbon footprint in 2022 and to cover all the exclusions (Annex C) and precludes underestimation.

We can reasonably assume that PMI Factory Carbon Neutral covers 100% of the GHG emissions.

PMI portfolio offsetting credits is composed of:

- o Project Gs2447 Gs1265 African Biomass Energy Conservation Poa Malawi Biomass Conservation” – 100%

The Gold Standard 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 label also guarantee that the project involved in delivering credits meet the criteria of additionality, permanence, leakage and double counting. It also guarantee that the units were verified by an independent third-party and that the credits were only issued after the emission reduction has taken place.

Originating Project Name:

“Gs2447 Gs1265 African Biomass Energy Conservation Poa Malawi Biomass Conservation”

Vintage Year: 2016

Quantity of retired GS VER credits: 4331

Serial Number: GS1-1-MW-GS2447-16-2016-6766-2259-6589

Retirement Date: 27 June 2022

Project ID: Gs2447 Gs1265

Project type: Energy Efficiency - Domestic

Country: Malawi

<https://registry.goldstandard.org/batch-retirements/details/109464>

Retired on behalf of Tabaqueira, for offsetting unavoidable emissions, year 2021.



CERTIFICATE OF RETIREMENT

On behalf of:

Tabaqueira Empresa Industrial de Tabacos SA [PT (TABAQUEIRA)]

Certificate n. 1151

To compensate 4.331 tons. CO₂eq. through the retirement of certified carbon credits from the project:

Name e Project ID	Type of Project and Country	Certification Standard	tCO ₂ eq.
African Biomass Energy Conservation (GS2447)	Energy Efficiency - Cookstoves (Malawi)	Gold Standard	4.331

Data: 27/06/2022

www.carbonsink.it

Andrea Maggiani



We are delighted to confirm the retirement of
4331 Verified Emission Reductions (VERs)

by
PMI

on 27/06/2022

Retired on behalf of Tabaqueira Empresa Industrial de Tabacos SA [PT (TABAQUEIRA)] for offsetting unavoidable emissions, year 2021.

*These credits have been retired, saving 4331 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](#)

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<https://registry.goldstandard.org/batch-retirements/details/109464>

4.4 Compensation programme for the following application period

For the third and following application periods, PMI will cancel the volume of carbon credits required once the emission calculations are completed for this period from the insetting project actually under development. The volumes of credits required by PMI affiliates (increasing in number until 2025) 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:
CCP278808/22/03/2022**

The Carbon Neutrality Declaration as presented in its Qualifying Explanatory Statement (QES), for the application period 01/01/2021 – 31/12/2021 of:

Tabaqueira - Empresa Industrial de Tabacos, S.A.
(Tabaqueira EIT, S.A.)
Portugal

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: 7th July 2022

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
CCP278808/22/03/2022**

SGS Greenhouse Gas | SGS House, 217-221 London Road, Camberley, Surrey GU15 2EY | Tel: +44 (0)1276 807077 | Fax: +44 (0)1276 807700
Climate Change Programme | abair@clchange.com | www.sgs.com

Member of SGS Group
(Société Générale de Surveillance)

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Brief Description of Verification Process

SGS has been contracted by Tabaqueira - Empresa Industrial de Tabacos, S.A. for the verification of their Carbon Neutrality Declaration as presented in its Qualifying Explanatory Statement (QES), for the application period 01/01/2021 – 31/12/2021, against the requirements of PAS 2060:2014. Specification for the demonstration of carbon neutrality (PAS 2060).

Roles and responsibilities

The management of Tabaqueira - Empresa Industrial de Tabacos, S.A. is 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, and 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 01/01/2021 – 31/12/2021.

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 April – July 2022. The assessment was conducted via desk review. The verification was based on the verification scope, objectives and criteria as agreed between Tabaqueira - Empresa Industrial de Tabacos, S.A. 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 conforms 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 WRIMBCSO 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:

- Tabaqueira - Empresa Industrial de Tabacos, S.A.
- The organizational boundary was established following the operational control consolidation approach.
- Title or description of activities: Emissions for manufacturing facilities, warehousing, offices and operator-controlled fleet.
- Scope 1 & 2 emissions only
- Location/boundary of the activities: Single facility, Portugal
- Second application period: Calendar Year 2021

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



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 CO₂ equivalent emissions, carbon neutrality declaration and QES for the first period 01/01/2021 – 31/12/2021 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.

Conclusions

Tabaqueira - Empresa Industrial de Tabacos, S.A. provided their carbon neutrality declaration based on the criteria outlined above. The carbon neutrality declaration and QES for the application period 01/01/2021 – 31/12/2021 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 CO₂ equivalent data and information and conforms to the requirements of PAS2060 2014.

6 Annex B – Qualifying Explanatory Statements (QES) checklist



EHS.D.410.F02%20QE
5%20Check%20List%2

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 affiliate control.	Included	-
1.3	Process emissions	Emissions occurring during the production process (DIET)	Included	-
1.4	Fugitive emissions	Refrigerant gases losses	Excluded	Identified as below materiality threshold within the GHG inventory
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

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	$\frac{3}{4}$	$\frac{1}{4}$	1
CH ₄	Waste	$\frac{2}{3}$	$\frac{1}{3}$	1
CH ₄	Animals	25%	10%	20%
CH ₄	Animal waste	20%	10%	20%
N ₂ O	Industrial Processes	35%	35%	50%
N ₂ O	Agricultural Soils			2 orders of magnitude
N ₂ O	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 F – Voluntary offset program

The project is developed in the north, center and south of Malawi and it promotes the introduction of improved cookstoves to enhance the living conditions of local people and mitigate the environmental impact. The distribution of efficient cookstoves will improve these people's living conditions, reducing the pollution deriving from the burning of woodfires and thus reducing the related diseases and injuries.

In this annex, specific project sheet concerning the chosen offsetting projects are presented.



210917 Rfp Carbon
Credits Portfolio Pmi.g

All the relevant project documentations can be found at the following link:

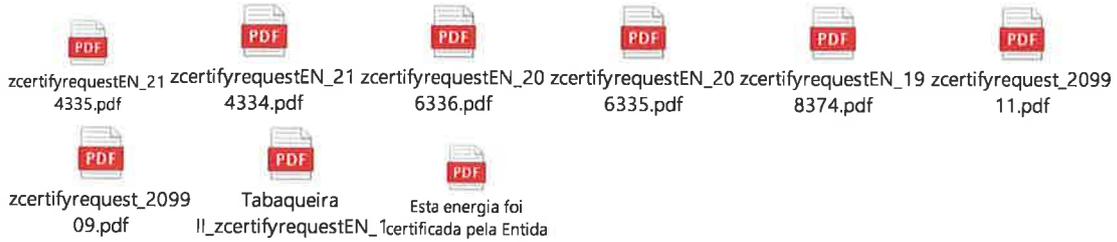
[GSF Registry \(goldstandard.org\)](https://registry.goldstandard.org)

[SustainCERT Platform \(sustain-cert.com\)](https://sustain-cert.com)

<https://registry.goldstandard.org/batch-retirements/details/109464>

10 Annex G – Renewable Energy Certificates

10.1 Tabaqueira



END OF THE DOCUMENT

MATTEO ZOMPA

DIRECTOR MANUFACTURING

11/07/2022, ALBARRAQUE

